

State of Alaska

Comprehensive Annual Financial Report

**For the Fiscal Year
July 1, 1998 - June 30, 1999**



**Prepared by:
Department of Administration
Division of Finance**

The FY 99 CAFR is expected to be available on or after January 2000 on our Internet web site at <http://www.state.ak.us/local/akpages/ADMIN/dof/akfin.htm>.

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**STATE OF ALASKA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 1999**

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Introductory Section





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STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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December 15, 1999

The Honorable Tony Knowles, Governor
Members of the Legislature
Citizens of the State of Alaska

In accordance with Alaska Statute (AS) 37.05.210, it is our pleasure to present the Comprehensive Annual Financial Report (CAFR) of the State of Alaska for the fiscal year ending June 30, 1999. This report has been prepared by the Department of Administration, Division of Finance. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the State. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the State. Statistical and demographic information are included to enable the reader to gain an understanding of the State's financial activities.

The report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, exhibits of general fund financial information, an organization chart, a list of the Executive Branch functions by department, and a list of the State's legislators. The financial section includes: the independent auditor's report on the general purpose financial statements; the general purpose financial statements; the accompanying notes to the financial statements that outline pertinent accounting and reporting policies as well as explain significant financial matters that are essential to full disclosure of the State's financial operations and condition; and the supplemental financial data section which includes the combining and individual fund and account group financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

THE REPORTING ENTITY AND ITS SERVICES

The funds and entities included in this Comprehensive Annual Financial Report are those for which the State is accountable based on criteria for defining the financial reporting entity prescribed by the Governmental Accounting Standards Board. These criteria include financial accountability, fiscal dependency, and legal standing. Based on these criteria the various funds, account groups, and entities shown in this report are considered as part of the reporting entity (see Note 1 in the Notes to the Financial Statements).

Blended component units, although legally separate entities, are, in substance, part of the State's operations and are included as part of the primary government. Accordingly, the Alaska Permanent Fund Corporation is reported as a nonexpendable trust fund, and the Public Employees', Teachers', National Guard and Naval Militia, and Judicial retirement systems are reported as pension trust funds of the State.

Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the State and to differentiate their financial position, results of operations, and cash flows from the State. With the exception of the Alaska Seafood Marketing Institute and the Alaska Tourism Marketing Council (whose financial activities are currently accounted for and reported within the State's general fund), the various public corporations established by State statute as well as the University of Alaska are reported as discretely presented component units (see Note 1 in the Notes to the Financial Statements for a list of the public corporations). Individual component unit financial reports may also be obtained from each of these organizations.

The State provides a range of services including education, health and social services, transportation, law enforcement, judicial, public safety, community and economic development, public improvements, and general administrative services.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The State's financial statements for governmental funds, expendable trust funds, and the agency funds have been prepared on a modified accrual basis of accounting, with revenues being recorded when measurable and available and expenditures being recorded when services or goods are received and the liabilities incurred. The proprietary, nonexpendable trust, and pension trust funds are reported on the accrual basis of accounting.

The State's system of internal controls over the accounting system has been designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgements by management.

In addition to internal controls, the State maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annually appropriated budget by the legislature. Annual operating budgets are required to be adopted through passage of appropriation bills (session laws) by the legislature with approval by the Governor. These laws also identify the source of funding for the budgeted amounts. Control is maintained at the departmental level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders that result in an overrun of available balances are not released until budget revisions are approved or additional appropriations are made. Open encumbrances are reported as reservations of fund balance at June 30, 1999.

GENERAL FUND OPERATIONS

The well-being of the State of Alaska is best reflected in the operations of the general fund. General fund revenues for FY 99 were \$2,555.6 million, a decrease of \$462.5 million compared to revenues of \$3,018.1 million for FY 98. Revenues by source for FY 99 are presented graphically in Exhibit 1 (page ix) and are compared to FY 98 in the following schedule (in millions):

<u>Revenue Source</u>	<u>FY 99</u>	<u>Percent</u>	<u>FY 98</u>	<u>Percent</u>
Taxes	\$ 761.6	29.8	\$ 1,032.7	34.2
Rents and Royalties	512.1	20.0	738.8	24.5
Interest & Investment Income	45.8	1.8	60.0	2.0
Federal	1,029.3	40.3	957.3	31.7
Miscellaneous	206.8	8.1	229.3	7.6
Total Revenue	<u>\$ 2,555.6</u>	<u>100.0</u>	<u>\$ 3,018.1</u>	<u>100.0</u>

The State's major source of revenue is petroleum related. In FY 99, petroleum revenue was 70.1 percent of State unrestricted revenues (see Exhibit 5, page xiii), and as shown in the following schedule it makes up 41.8 percent of all general fund revenues. Over the last ten fiscal years, petroleum revenues have comprised a low of 70.1 percent (FY 99) of unrestricted revenues to a high of 87 percent (FY 93). The next largest source of unrestricted revenues (nonpetroleum), as shown in the following schedule, are corporate, fish, and other taxes which make up \$196.5 million, or 12.9 percent of unrestricted revenues.

The price of oil during FY 99 averaged \$12.59 per barrel at the West Coast, which is \$0.48 over the Department of Revenue Spring 1999 projection of \$12.11 and \$3.27 less than the average price of \$15.86 for FY 98. In addition, the crude oil production for Alaska North Slope and Cook Inlet for FY 99 was 1.196 million barrels per day which is an 8.5 percent decrease compared to 1.307 for FY 98 and a 41.9 percent decrease when compared to a high of 2.057 in FY 88.

The following schedule (in millions) shows that FY 99 petroleum revenues were \$1,069.1 million, a decrease of \$493.3 million compared to FY 98 petroleum revenues of \$1,562.4.

Unrestricted Revenue	FY 99	Percent	FY 98	Percent
Petroleum Revenue				
Property Tax	\$ 48.8	1.9	\$ 51.3	1.7
Corporate Petroleum	145.1	5.7	200.0	6.6
Severance Tax	371.1	14.5	577.8	19.1
Bonus Sale	21.9	0.8	19.7	0.7
Rents and Royalties	482.2	18.9	713.6	23.6
Total Petroleum Revenue	1,069.1	41.8	1,562.4	51.7
Nonpetroleum Revenue				
Taxes	196.5	7.7	203.7	6.7
Licenses and Permits	63.9	2.5	71.4	2.4
Intergovernmental Receipts	0.8	0.0	5.7	0.2
State Resources Revenue	157.8	6.2	186.0	6.2
Miscellaneous Revenue	37.8	1.5	35.5	1.2
Total Nonpetroleum Revenue	456.8	17.9	502.3	16.7
Total Unrestricted Revenue	1,525.9	59.7	2,064.7	68.4
Total Restricted Revenue	1,029.7	40.3	953.4	31.6
Total Revenues	\$ 2,555.6	100.0	\$ 3,018.1	100.0

The total expenditures charged against general fund appropriations during FY 99 amounted to \$3,425.2 million, an increase of \$129.4 million from FY 98. In addition, residual equity transfers to other funds of \$159.7 million, operating transfers to other funds of \$26.8 million, and operating transfers to component units of \$170.2 million brings the total FY 99 disbursements from the general fund to \$3,781.9 million (FY 98 total disbursements, \$3,715.8). Expenditures by department are compared with the prior year in the following tabulation (in thousands):

Department	FY 99	Percent	FY 98	Percent
Office of the Governor	\$ 21,160	0.6	\$ 18,925	0.6
Administration	209,651	6.1	208,731	6.3
Law	29,720	0.9	32,696	1.0
Revenue	46,516	1.4	48,077	1.5
Education	875,512	25.6	849,027	25.8
Health & Social Services	910,137	26.6	858,820	26.0
Labor	48,385	1.4	50,202	1.5
Commerce & Economic Development	38,449	1.1	36,474	1.1
Military & Veterans' Affairs	33,593	1.0	25,535	0.8
Natural Resources	61,372	1.8	77,948	2.4
Fish & Game	71,135	2.1	69,296	2.1
Public Safety	87,713	2.6	83,157	2.5
Environmental Conservation	94,061	2.7	95,752	2.9
Corrections	152,210	4.4	140,538	4.3
Community & Regional Affairs	129,286	3.8	126,596	3.8
Transportation & Public Facilities	516,033	15.1	478,289	14.5
Legislature	32,367	0.9	32,171	1.0
Debt Service	15,513	0.4	10,266	0.3
Alaska Court System	52,354	1.5	53,281	1.6
Total Expenditures	\$ 3,425,167	100.0	\$ 3,295,781	100.0

As noted in the following table, general fund expenditures have gone down roughly 8.9 percent (in constant dollars) over the last five years. Excluding general fund capital projects' expenditures, per capita general fund expenditures in current and constant dollars (1981 base year and revised population estimates) for the last five years were as follows:

	<u>Current Dollars</u>	<u>Constant Dollars</u>
1995	\$ 4,771	\$ 2,846
1996	4,772	2,769
1997	4,775	2,708
1998	4,675	2,608
1999	4,739	2,592

In 1982, the voters of Alaska approved an amendment to the Alaska Constitution to control State spending. Article IX, Section 16, of the Alaska Constitution, establishes an annual appropriation limit of \$2.5 billion plus adjustments for changes in population and inflation since July 1, 1981. Within this limit, one-third is reserved for capital projects and loan appropriations. For FY 2000, the Office of Management and Budget estimates the limit to be approximately \$6.1 billion. The FY 2000 budget passed by the legislature was less than \$2.3 billion (unrestricted general fund revenues only), or \$3.8 billion less than the constitutional spending limit.

The State ended FY 99 with a deficit general fund balance in the amount of \$2.7 billion, and a deficit fund balance available for appropriation in the amount of \$3.4 billion. This deficit is due primarily to the general fund liability for the amounts appropriated from the Constitutional Budget Reserve Fund of \$3.3 billion (see Note 1.J.). Article IX, section 17(d), of the Alaska Constitution provides that amounts appropriated from the Constitutional Budget Reserve Fund are to be repaid.

The following shows the composition of the fund balance of the general fund for the fiscal years ending June 30, 1999, and June 30, 1998, as adjusted (in millions).

<u>Reserved</u>	<u>FY 99</u>	<u>FY 98</u>	<u>Change</u>
Encumbrances	\$ 148.6	\$ 167.6	\$ (19.0)
Nonliquid Assets	204.3	205.2	(0.9)
Other	16.3	15.7	0.6
Total Reserved	369.2	388.5	(19.3)
<u>Unreserved</u>			
Designated			
Continuing Appropriations	152.3	159.6	(7.3)
Other	135.3	141.8	(6.5)
Balance Available for Appropriation	(3,359.4)	(2,292.9)	(1,066.5)
Total Unreserved	(3,071.8)	(1,991.5)	(1,080.3)
Total Fund Balance	\$ (2,702.6)	\$ (1,603.0)	\$ (1,099.6)

DEBT ADMINISTRATION

The State of Alaska general obligation bond ratings are Aa2 from Moody's Investors Service and AA from Standard and Poor's Corporation and Fitch Investor Services.

In addition to direct appropriations from the general fund, the State has financed capital projects from the proceeds of general obligation bond sales. The schedule below is a summary of general bonded debt and debt service activities for the fiscal year ended June 30, 1999 (in millions).

<u>Activity</u>	<u>Bonds Outstanding</u>	<u>Interest to Maturity on Outstanding Bonds</u>	<u>Total Debt Service to Maturity</u>
Balance July 1, 1998	\$ 10.9	\$ 0.4	\$ 11.3
Less: debt service paid	8.5	0.3	8.8
Balance June 30, 1999	\$ 2.4	\$ 0.1	\$ 2.5

There were no new State of Alaska general obligation bonds authorized in FY 99. No authorized general obligation bonds remain unissued.

Other categories of debt are State-supported, guaranteed, moral obligation, revenue, agency, and agency collateralized debt. State-supported debt includes University of Alaska debt, lease-purchase financing obligations, and the share of municipal general obligation bonds issued for school construction that is reimbursable by the State. Guaranteed debt consists of revenue bonds issued by the Alaska Housing Finance Corporation for the purpose of purchasing mortgage loans made for residences of qualifying veterans. Moral obligation debt is State agency debt that is secured, in part, by a reserve fund to which is attached a discretionary replenishment provision. International Airports revenue bonds and some University debt constitute all State revenue debt. Agency debt has been issued by nine distinct State authorities or corporations and is secured by revenues generated from the use of bond proceeds or the assets for the agency issuing the bonds. Agency collateralized debt pledges, as security for the debt, loans or securities which are 100 percent insured or guaranteed by another party of superior credit standing.

CASH AND INVESTMENT MANAGEMENT

The State's cash is controlled by the Treasury Division in the Department of Revenue or by other administrative bodies as determined by law. All cash deposited in the State treasury is managed to preserve principal while maximizing interest earnings. Cash in excess of the amount needed to meet current expenditures is invested pursuant to AS 37.10.070 and AS 37.10.071 which mandates that investments shall be made with the judgement and care exercised by an institutional investor of ordinary professional prudence, discretion, and intelligence under the circumstances then prevailing.

Treasury has established an array of investment pools and mutual fund-like common trusts with varying investment horizons and risk profiles. Equity and fixed income investments are managed in a pooled environment unless required to be held separately by statute or bond resolution. Commingled investment pools maximize earnings potential, provide economies-of-scale savings of time and dollars, and allow smaller funds to participate in investment opportunities that would otherwise be unavailable to them. Rather than each participant (fund) buying identical individual securities, larger quantities of securities can be purchased at one time, reducing the operating costs for manager's time and number of transactions. A fund's equity ownership in a pool is based on the number of shares held by the fund.

The State's investment objectives for the General Fund and Other Non-segregated Investments (GeFONSI) include limited exposure to principal loss, a conservative balance of current income with principal safety within moderate risk tolerance, minimal inflation protection, and high liquidity. Under the Department of Revenue, Treasury Division's current investment policy, holdings may include repurchase agreements collateralized only by U.S. Treasury obligations; commercial paper; certificates of deposit and bankers acceptances; U.S. Treasury obligations, including bills, notes and bonds; other full faith and credit obligations of the U.S. Government; securities issued or guaranteed by agencies and instrumentalities of the U.S. Government; obligations of foreign governments denominated in U.S. dollars; corporate debt meeting credit quality standards; and, asset-backed and mortgage-backed securities.

The investment objectives established by the Alaska State Pension Investment Board for the retirement trust funds (Public Employees', Teachers', Judicial, and the Alaska National Guard and Naval Militia Retirement Systems) include raising the trust funds' funded status toward fully-funded levels. Once attained, the objective is to maintain a fully-funded status, and to preserve the trust funds' invested capital and realize competitive, total rates of return on the trust funds. The trust funds hold domestic and international fixed income securities, domestic and international equity securities, real estate equity investments, and mortgages.

CASH FLOW

From the time oil began flowing through the Trans-Alaska Pipeline in the late 1970's, the State has been in the enviable position of having sizeable sums of cash flowing into the State treasury. This cash funded a steadily growing State operating budget, large and small annual capital budgets, and the State's permanent fund.

In more recent years, the reality of declining oil revenues and the corresponding decrease in available cash has become more apparent. This has been reflected in more modest State operating and capital budgets. Also associated with declining revenues, though much less understood, is a cash flow situation that could lead to a cash deficiency for the State. The possibility of a cash flow deficiency grows with each passing year.

Prior to 1985, most unrestricted revenues flowed directly into the State's general fund where they were available to pay day-to-day costs of operating State government. This is no longer the case. Over time, the legislature has established more than 50 cash pools either as subfunds of the general fund or other separate cash pools. In 1990 the legislature appropriated the entire general fund balance available for appropriation at the end of FY 91 to a statutory budget reserve fund (SBRF). By a vote of the people in 1990, the Alaska Constitution was amended to establish a separate constitutional budget reserve fund (CBRF) into which oil tax settlement revenues are deposited. The effect of these actions diverted cash historically destined for the general fund to other cash pools that were not available to pay day-to-day State operating costs.

Also contributing to the potential for a cash deficiency is the fact that the inflow of unrestricted revenues does not mirror the outflow of cash expenditures. Revenues tend to flow in at a generally consistent rate. Expenditures, however, are cyclic with high and low periods. The first quarter expenditures of each fiscal year are generally much higher than revenues for the same period. Clearly, if the general fund (excluding the subfunds) does not have a large cash balance at the beginning of the fiscal year or if other sources of funds are not available, the State faces the possibility of a cash deficiency before the end of the first quarter.

In the past seven budget cycles, the legislature has addressed the possibility of a revenue shortfall. It has included language in the appropriation act permitting the executive branch to borrow cash from the statutory and constitutional budget reserve funds in the event expenditures exceeded revenues. In FY 93 and again in FY 96, funds were taken from the SBRF to balance FY 93 and FY 96 revenues and expenditures. Cash was borrowed from the CBRF in FY 94, FY 95, FY 96, FY 98, and FY 99 to balance revenues and expenditures.

CONSTITUTIONAL BUDGET RESERVE FUND

In 1990, the people of Alaska voted to amend the Alaska Constitution to establish a separate constitutional budget reserve fund (CBRF) into which oil tax settlement revenues are deposited. The CBRF is reported in the fiduciary fund types as an expendable trust fund. At June 30, 1999, assets of the CBRF were \$6.1 billion, of which \$2.6 billion is cash and investments, \$3.3 billion is due from the general fund (see Note 1.J.), and the balance is other receivables. The fund balance of the CBRF at June 30, 1999, was \$6.0 billion.

PUBLIC EMPLOYEES' AND TEACHERS' RETIREMENT SYSTEMS PENSION FUNDS

Total assets at June 30, 1999, of the two largest pension funds, the Public Employees' (PERS) and Teachers' (TRS) Retirement Systems' funds, were \$8.1 billion and \$4.2 billion respectively. The Schedule of Funding Progress for PERS and TRS as of the June 30, 1998, actuarial valuations, indicated the actuarial accrued liabilities were funded at 102.5 percent and 97.7 percent respectively. Further information on these and other pension funds, including the Supplemental Benefits System and Deferred Compensation plans, can be found in notes 4, 5, and 6 to the financial statements.

ALASKA PERMANENT FUND

The Alaska Permanent Fund is an asset of the State of Alaska that is managed by the Alaska Permanent Fund Corporation, an instrumentality of the State of Alaska.

In 1976 the Alaska Constitution was amended to provide that:

At least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the State shall be placed in a Permanent Fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for Permanent Fund investments. All income from the Permanent Fund shall be deposited in the general fund unless otherwise provided by law.

Subsequent legislation increased the Permanent Fund's share to 50 percent for rents and royalties on mineral leases issued after December 1, 1979, and for bonuses on mineral leases issued after February 15, 1980.

The Permanent Fund is made up of two parts, principal and earnings. Principal is the main body of the trust. At June 30, 1999, this amounted to \$19.0 billion. The sources of Fund principal were as follows: \$6.5 billion in constitutionally-dedicated oil revenues; \$5.8 billion of Fund earnings added to principal for inflation-proofing; and \$6.7 billion in additional deposits approved by special legislative appropriation.

Permanent Fund earnings, from inception through June 30, 1999, have amounted to \$21.3 billion. Of this amount, \$8.6 billion has been paid out for dividends, \$5.8 billion has been added to principal for inflation-proofing, \$4.0 billion has been added to principal by special appropriation, \$0.3 billion has been paid out to the general fund, and \$2.6 billion remains in the Fund in the earnings reserve account.

RISK MANAGEMENT

As more fully detailed in Note 9.C., the State's risk management program provides a first level of self-insured retention supplemented by further insurance coverage. The State's risk management program covers all State agencies and component units, except for the Alaska Housing Finance Corporation, Alaska Railroad Corporation, and the University of Alaska who administer their own programs. Further, there is separate coverage provided by the individual component units such as the Alaska Industrial Development and Export Authority for certain individual projects.

AUDITS

The principal auditor of the State's reporting entity is the Division of Legislative Audit. The audit of the CAFR was conducted in accordance with generally accepted auditing standards (GAAS), and their independent auditor's report precedes the General Purpose Financial Statements.

In addition to the annual audit of the State's CAFR, the State is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of federal financial assistance, the auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs will be published at a later date under separate cover by the Division of Legislative Audit.

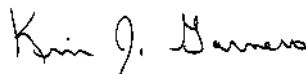
ACKNOWLEDGMENTS

We wish to express our sincere appreciation to the many individuals whose dedicated efforts have made this report possible. The preparation of this report could not have been accomplished without the professionalism and dedication demonstrated by the financial and management personnel of each State agency, each component unit, and the dedicated staff within the Division of Finance.

Sincerely,



Robert Poe, Jr.
Commissioner
Department of Administration

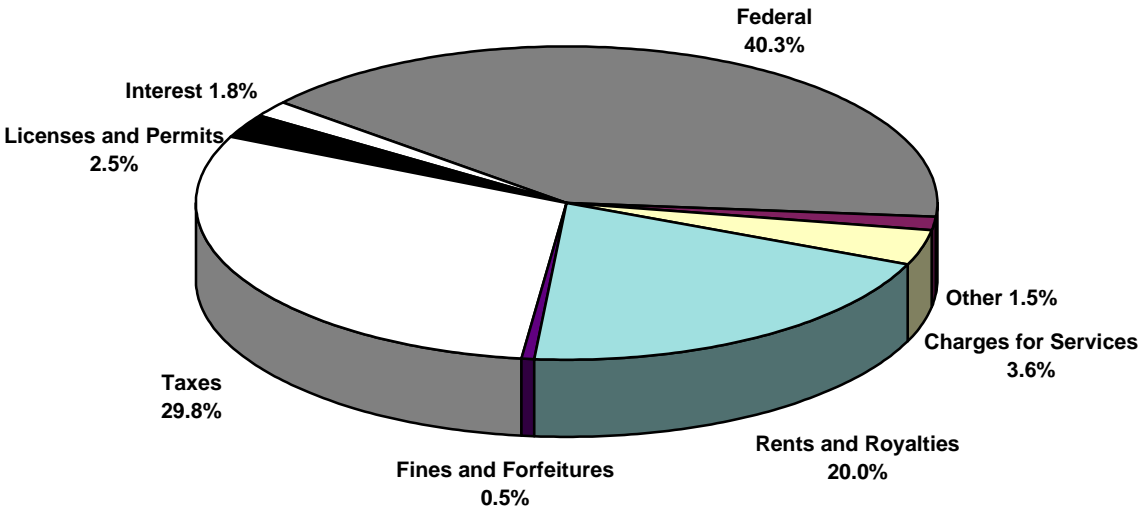


Kim J. Garner, CPA
Director
Division of Finance

**STATE OF ALASKA
GENERAL FUND
REVENUE SOURCES**

FOR THE FISCAL YEAR ENDED JUNE 30, 1999

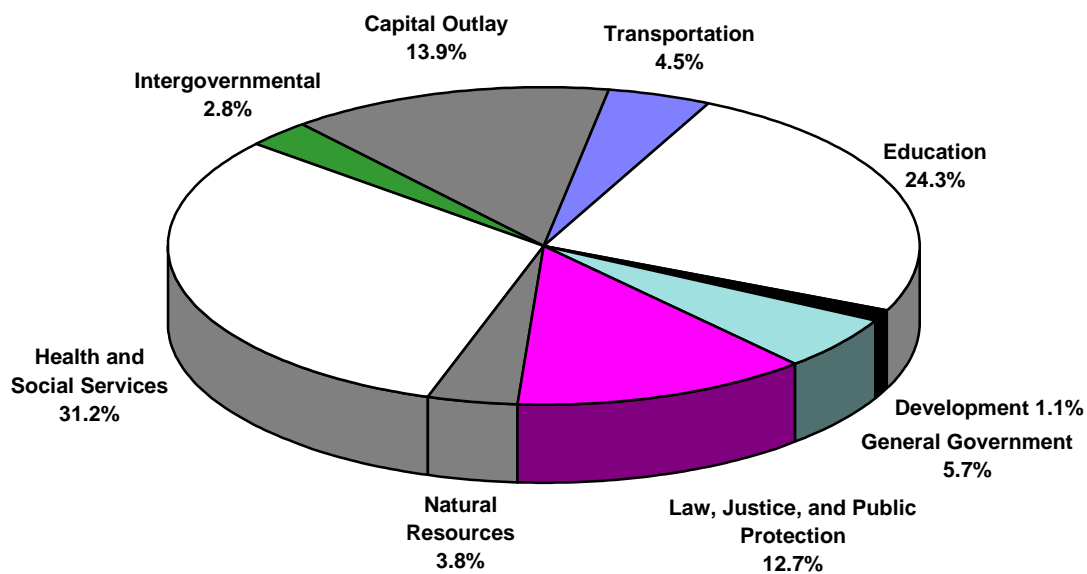
\$2,556
(Millions)



STATE OF ALASKA GENERAL FUND EXPENDITURES BY FUNCTION

FOR THE FISCAL YEAR ENDED JUNE 30, 1999

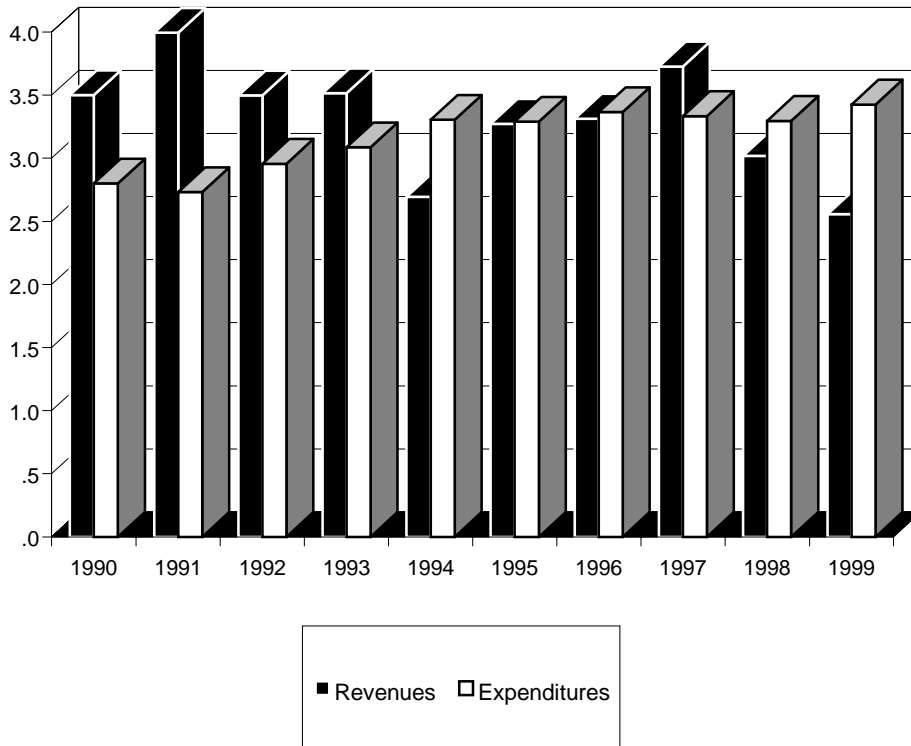
\$3,425
(Millions)



STATE OF ALASKA GENERAL FUND EXPENDITURES AND REVENUES

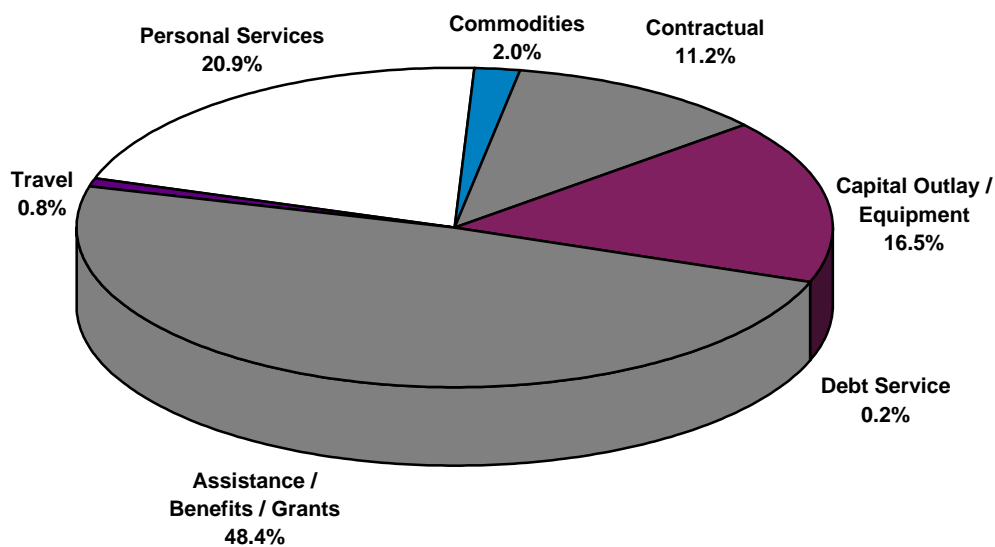
TEN YEAR COMPARISON
FOR THE FISCAL YEARS 1990 THROUGH 1999

(Stated in Billions)



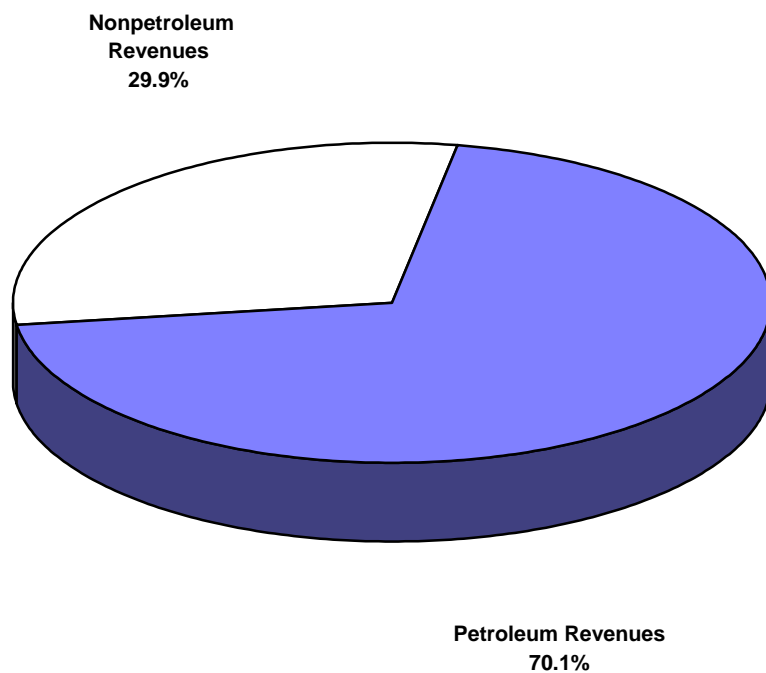
STATE OF ALASKA GENERAL FUND EXPENDITURES BY ACCOUNT

FOR THE FISCAL YEAR ENDED JUNE 30, 1999

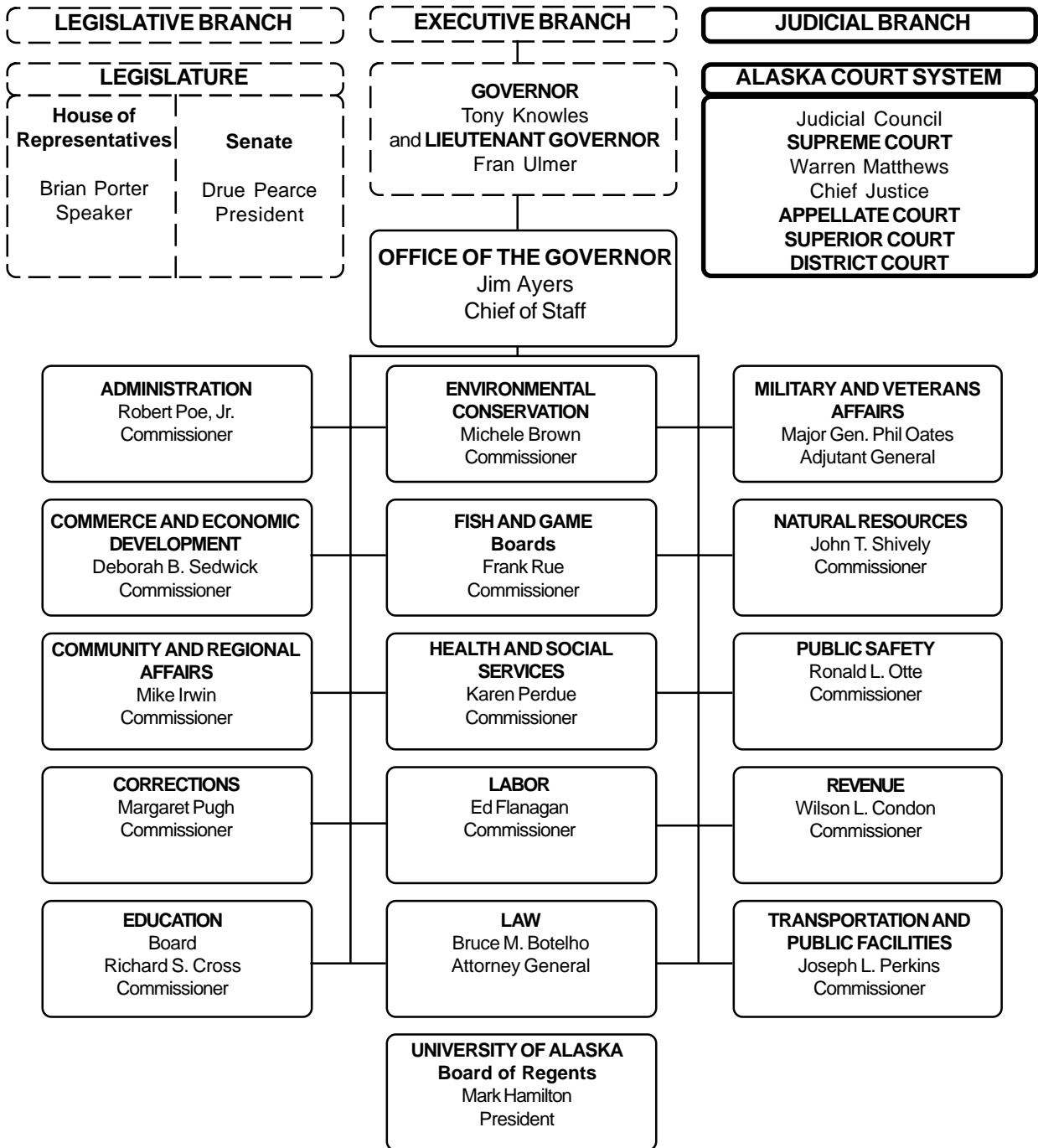


**STATE OF ALASKA
GENERAL FUND
PETROLEUM VS. NONPETROLEUM
UNRESTRICTED REVENUES**

FOR THE FISCAL YEAR ENDED JUNE 30, 1999



Organization Chart



- — — Elected by popular vote (includes Lieutenant Governor, elected on same ticket as Governor).
- Justices and Judges of the Courts nominated by Judicial Council, selected by Governor and thereafter subject to voter approval.
- Department Heads appointed by the Governor and confirmed by the Legislature.

FUNCTIONS OF STATE DEPARTMENTS

OFFICE OF THE GOVERNOR

The Governor is the Chief Executive of the State. The Office of the Governor has the overall responsibility for coordinating the activities of state agencies to ensure that all programs are consistent with Alaska's goals and objectives.

ADMINISTRATION

Services to state agencies: Personnel, Labor Relations, Retirement and Benefits, Finance (payroll, accounts and disbursements), General Services (purchasing, supply, distribution and mail, space allotment), Risk Management, Information Technology Group (telecommunications and computer services). Services to the Public: Senior Services (Alaska Commission on Aging), Longevity Bonus (Pioneer's Homes); Motor Vehicles; Office of Public Advocacy; Public Defender Agency; Alaska Public Offices Commission; Oil and Gas Commission; Alaska Rural Communications System; Alaska Public Broadcasting Commission; and the Office of Tax Appeals.

COMMERCE AND ECONOMIC DEVELOPMENT

Provides consumer protection through the regulation of banking, securities and corporations, insurance, professional occupations and business licensing.

Promotes economic development in the state through domestic and international promotion of tourism, Alaska seafood, timber, minerals, and other products, and encouragement of business and industrial development. Administers several loan programs.

Also includes: the Alaska Seafood Marketing Institute, Regulatory Commission of Alaska, Industrial Development and Export Authority, Tourism Marketing Council, Aerospace Development Corporation, Science and Technology Foundation, and Railroad Corporation.

COMMUNITY AND REGIONAL AFFAIRS

Provides state and federal financial assistance to citizens and governments at the local and regional level to resolve problems associated with local government and community development. Provides technical assistance and administers programs in the following areas: reemployment, child care, Head Start community development, community planning, rural economic development, rural utility management and rural energy development. The department's mission is to assist in building and maintaining strong local governments, strong local economies, and strong families, while ensuring fiscal accountability throughout the public process.

CORRECTIONS

The Department of Corrections is responsible for public safety through the administration of correctional services including: twelve prisons and jails which provide secure incarceration and appropriate rehabilitation programs for felons and misdemeanants; community residential centers; supervision and case management of probationers and parolees in the community; and, oversight of 15 small community jails. Also included in the department is the Alaska Board of Parole, a quasi-judicial Board which makes all parole related decisions.

EDUCATION

The State Board of Education is a policy-making body. Through the department, the Board administers public school funding programs and teacher certification; provides instructional and administrative leadership to school boards and school districts; provides adult, vocational education and correspondence study programs; operates the Alaska Vocational Technical School and Mt. Edgecumbe High School; administers state library, archive, records and museum services; provides vocational rehabilitation services; provides grants to the arts community; and the Alaska Student Loan Corporation which provides loans to post-secondary students.

ENVIRONMENTAL CONSERVATION

The Department of Environmental Conservation is the state regulatory agency responsible for protection of public health and the environment through safe handling of oil hazardous substances, air and water quality, safe drinking water and wastewater, food safety and sanitation in public facilities. Through partnerships with Alaska citizens, businesses, and communities, the department works to safely manage and reduce pollution and hazards. DEC services include financial and technical assistance to communities for upgrading water, sewage and solid waste, developing outreach methods to help Alaskans understand their role in protecting health and managing environmental quality, and permitting based on risk to public health and environment. The department also offers assistance to Alaska cities to meet health-based standards for air quality, position oil spill response equipment in communities, and to develop environmental education programs.

FISH AND GAME

The Department of Fish and Game is mandated to manage, protect, maintain, improve and extend the fish, game, and aquatic plant resources of Alaska in the interest of the economy and general well-being of the State. The Boards of Fisheries and Game adopt regulations to conserve and develop these resources. The commissioner and the department conduct management and research functions necessary to support these goals. Includes the Commercial Fisheries Entry Commission, a quasi-judicial agency which promotes resource conservation and sustained yield management by regulating entry into Alaska's commercial fisheries.

HEALTH AND SOCIAL SERVICES

Responsible for a wide variety of health and social service programs which impact virtually every Alaskan. Health programs include medical assistance for Alaska's poor, and public health programs such as nursing services, vital statistics, emergency medical services, infectious disease control, and maternal and child health programs. Social services include programs for children and families, including temporary cash assistance, food stamps, child protection services, foster care, child residential care, preventative services, and youth corrections. The department also offers mental health programs and services the developmentally disabled, and provides prevention and treatment services of substance abuse.

LABOR

Administers programs to foster and promote the welfare of the wage earners of the state, to improve working conditions and advance the opportunities for profitable employment. Administers the employment

service, unemployment insurance, workers' compensation programs, and the Fishermen's Fund; enforces laws and regulations dealing with job safety, hours of work, wages, and work conditions; inspects elevators and plumbing and electrical installations, amusement rides and ski lifts, and boiler and pressure vessels to ensure compliance with recognized standards; serves as the labor relations agency for public employment in the state; and collects, analyzes, and releases labor market and population statistics.

LAW

Responsible for prosecution and conviction of criminal offenders in Alaska to ensure safe communities. Assists law enforcement agencies with criminal investigations, filing misdemeanor and felony charges, and serves as legal advisor to grand juries and represents the state in all phases of criminal trial and appellate proceedings. Works in partnership with executive, legislative, and judicial agencies by providing legal advice and representing the state in all actions in which it is a party. Such actions include protecting Alaska's children and youth by handling child abuse, neglect, and delinquency cases expeditiously; resolving questions of state versus federal control of natural resources; ensuring that the state receives its correct share of oil and gas taxes and royalties; collecting money owed to the state by businesses and individuals for child support, fines and other unpaid obligations; and defending the state against claims for personal injury and other damages.

MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs (DMVA) is responsible for the Alaska Army and Air National Guard, the Alaska Naval Militia, State Defense Force, Alaska Military Youth Academy, and the Division of Emergency Services.

The Commissioner of DMVA is also the Adjutant General of the state and as such commands the Alaska National Guard. He administers federal funds for maintaining the Alaska National Guard in combat readiness in the event of a national emergency or war. The Alaska National Guard has over 4,500 personnel located in more than 90 communities. The Alaska National Guard is under the day-to-day command of the Governor and as such may be used in support of counter-narcotics operations, disaster assistance and to counter civil unrest. The Alaska Naval Militia is composed of individual U.S. Navy reservists that are available to the Governor in times of emergency. Likewise, the State Defense Force, made up of individuals with prior military training, is available to the Governor.

The Commissioner's office also serves as the focal point for issues affecting Alaska's veteran population. It administers veterans service officer programs that outreach to individual veterans to assist them in maximizing their federal veterans entitlements.

The Alaska Military Youth Academy provides a five month military style alternative high school experience for volunteer applicants who are at risk of not achieving a productive childhood. During the two sessions per year, the program provides a structured education in a variety of disciplines; life coping skills, educational excellence, skills training, responsible citizenship, leadership/ability to follow, health hygiene, sex education, physical fitness, and community service. This structured educational effort is targeted to meet the goals of the program, to turn the youth into confident and contributing citizens of their state and their local communities.

The Division of Emergency Services is responsible for state emergency preparedness and response. It seeks to minimize the loss of life and property in the event of natural or man-made disaster by planning and assisting as well as administering federal and state grants and loans and managing relief efforts. It maintains the State

Emergency Coordination Center in Anchorage that is the command, control and communications center for state and federal response to disasters and significant emergencies.

NATURAL RESOURCES

Responsible for the utilization, development, and conservation of the surface and subsurface natural resources belonging to the state except for fish and game. This includes approximately 106 million acres of uplands and 69 million acres of tidelands, shorelands, and submerged lands and manages about 34,000 miles of coastline. The strategic missions include: manage the natural resources of the State of Alaska in a responsible manner; raise public awareness that Alaska's natural resources are the basic assets of our economy; stimulate and encourage resource-based, value-added economic activity, while conserving Alaska's wild and scenic values; implement efficiencies and economies in government; deliver essential services; and stimulate local initiative and personal responsibility. Operationally, the department manages eight divisions located in 22 Alaska communities that are responsible for the two largest oil and gas fields in North America; a park system that contains one-third of all the state park lands in the United States; 40 percent of the nation's fresh water; forests and fire suppression on over 134 million acres; minerals involving 31,000 mining claims; and an agricultural program that encompasses 560 farms.

PUBLIC SAFETY

Responsible for enforcement of state law including criminal and fish and wildlife protection laws, fire prevention, search and rescue, highway safety, compensating victims of violent crime, providing forensic crime laboratory services to law enforcement statewide, certifying police proficiency, providing basic police academy and specialized training to municipal and state law enforcement agencies, oversight of the Village Public Safety Officer Program, and assisting victims of domestic violence and sexual assault.

REVENUE

Administration and enforcement of tax and charitable gaming laws; collection, investment, and management of state funds and employee pension trust funds; administration of the Permanent Fund Dividend Program, the Shared Taxes Program, and the Child Support Enforcement Program; administer licensing programs mandated by statute; issue state general obligation, revenue and lease debt, and authorize certain agency debt. Other state entities under the auspices of the Department of Revenue are: the Alaska Permanent Fund Corporation, the Alaska Housing Finance Corporation, the Alaska Municipal Bond Bank Authority, the Alaska Mental Health Trust Authority, and the Alaska State Pension Investment Board.

TRANSPORTATION AND PUBLIC FACILITIES

Responsible for the planning, research, design, construction, maintenance, operation, and protection of all state transportation systems and public facilities. This includes approximately 247 state-owned airports and seaplane bases, 5,600 miles of state roads, 1,700 buildings ranging from maintenance shops to state office complexes, and 100 ports and harbors. In addition, the department owns and operates the Alaska Marine Highway System, serving 33 Alaskan communities with connections to Bellingham and Prince Rupert. The department also owns and operates the State Equipment Fleet which provides full maintenance support and replacement activities for all departments and state agencies, including 6,600 light and heavy duty vehicles and attachments.

ALASKA STATE LEGISLATURE
TWENTY-FIRST LEGISLATURE - FIRST SESSION
1999

HOUSE OF REPRESENTATIVES

NAME	PARTY	DISTRICT	NAME	PARTY	DISTRICT
Austerman, Alan	(R)	6	Kapsner, Mary	(D)	39
Barnes, Ramona	(R)	22	Kemplen, J. Allen	(D)	16
Berkowitz, Ethan	(D)	13	Kertulla, Beth	(D)	3
Brice, Tom	(D)	30	Kohring, Vic	(R)	26
Bunde, Con	(R)	18	Kookesh, Albert	(D)	5
Cissna, Sharon	(D)	21	Kott, Pete	(R)	24
Coghill, John, Jr.	(R)	32	Masek, Beverly	(R)	28
Cowdery, John	(R)	17	Morgan, Carl	(R)	36
Croft, Eric	(D)	15	Moses, Carl	(D)	40
Davies, John	(D)	29	Mulder, Eldon	(R)	23
Davis, Gary	(R)	8	Murkowski, Lisa	(R)	14
Dyson, Fred	(R)	25	Ogan, Scott	(R)	27
Foster, Richard	(D)	38	Phillips, Gail	(R)	7
Green, Joe	(R)	10	Porter, Brian	(R)	20
Grussendorf, Ben	(D)	2	Rokeberg, Norman	(R)	11
Halcro, Andrew	(R)	12	Sanders, Jerry	(R)	19
Harris, John	(R)	35	Smalley, Harold	(D)	9
Hudson, Bill	(R)	4	Therriault, Gene	(R)	33
James, Jeannette	(R)	34	Whitaker, Jim	(R)	31
Joule, Reggie	(D)	37	Williams, Bill	(R)	1

HOUSE FINANCE COMMITTEE

Mulder (Co-Chair)
Therriault (Co-Chair)
Bunde (Vice-Chair)
Austerman, Davies, Davis, Foster, Grussendorf,
Kohring, Moses, Williams

PRESIDING OFFICER

Brian Porter

SENATE

NAME	PARTY	DISTRICT	NAME	PARTY	DISTRICT
Adams, Al	(D)	S	Lincoln, Georgianna	(D)	R
Donley, Dave	(R)	J	Mackie, Jerry	(R)	C
Ellis, Johnny	(D)	H	Miller, Mike	(R)	Q
Elton, Kim	(D)	B	Parnell, Sean	(R)	I
Green, Lyda	(R)	N	Pearce, Drue	(R)	F
Halford, Rick	(R)	M	Phillips, Randy	(R)	L
Hoffman, Lyman	(D)	T	Taylor, Robin	(R)	A
Kelly, Pete	(R)	P	Torgerson, John	(R)	D
Kelly, Tim	(R)	K	Ward, Jerry	(R)	E
Leman, Loren	(R)	G	Wilken, Gary	(R)	O

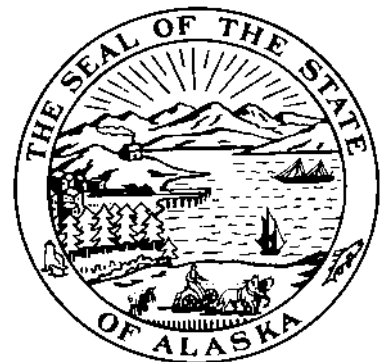
SENATE FINANCE COMMITTEE

Parnell (Co-Chair)
Torgerson (Co-Chair)
Donley (Vice-Chair)
Adams, Green, Pete Kelly, Leman, Phillips,
Wilken

PRESIDING OFFICER

Drue Pearce

Financial Section





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ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET AND AUDIT COMMITTEE
Division of Legislative Audit



P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
Internet e-mail address:
legaudit@legis.state.ak.us

Independent Auditor's Report

Citizens of the State of Alaska:

We have audited the accompanying general-purpose financial statements of the State of Alaska, as of and for the fiscal year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the State of Alaska management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of certain entities, which represent the indicated percent of total assets and revenues, respectively, of the Trust and Agency Funds (84% and 92%), and the Component Unit Funds (100% and 100%). Those financial statements were audited by other auditors whose reports have been furnished to us. Our opinion on the general-purpose financial statements, insofar as it relates to the amounts included for those entities, is based on the reports of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe our audit and the reports of the other auditors provide a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The State of Alaska has included such disclosures in Note 11. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the State of Alaska's disclosures with respect to the year 2000 issue made in Note 11. Further, we do not provide assurance that the State of Alaska is or will be year 2000 ready, that the State's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the State does business will be year 2000 ready.

As disclosed in Note 1H in the Notes to the Financial Statements, the General Fixed Asset Account Group is not reported in accordance with generally accepted accounting principles, primarily because most state-owned buildings are reported at insured value rather than

historical cost. The amount reported for buildings at June 30, 1999 is \$1.6 billion or 62% of total reported general fixed assets.

In our opinion, based on our audit and the reports of other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the year 2000 disclosures, and for the effect of the departure from generally accepted accounting principles as discussed in the preceding paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Alaska as of June 30, 1999, and the results of its operations and the cash flows of its proprietary and nonexpendable trust funds for the fiscal year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general-purpose financial statements of the State of Alaska. Such information has been subject to the auditing procedures applied in the audit of the general-purpose financial statements and in our opinion, based on our audit and the reports of other auditors, except for the matters noted above, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

The introduction section and the statistical section listed in the table of contents were not audited by us and, accordingly, we express no opinion on them.

Reports in accordance with *Government Audit Standards*, and *Audits of States, Local Governments, and Non-Profit Organizations* on the State's internal control structure and on compliance with state and federal laws and regulations will be issued in a separate report.



Pat Davidson, CPA
Legislative Auditor

December 2, 1999

General Purpose Financial Statements



STATE OF ALASKA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
June 30, 1999
(Stated in Thousands)

STATEMENT 1.01

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
ASSETS:				
Cash and Investments	\$ 490,582	\$ 46,777	\$ 668	\$ 99
Accounts Receivable - Net	298,050	1,498		3
Interest and Dividends Receivable	710			
Due from Other Funds	71,600	35		
Due from Component Units	204,954			
Due from Primary Government				
Loans, Notes, and Bonds Receivable	22,383	443		
Inventories	11,034			
Reposessed Property				
Fixed Assets (Net, where applicable, of accumulated depreciation)				
Net Investment in Direct Financing Leases				
Other Assets	13,104	1,258		
OTHER DEBITS:				
Amount Available and to be Provided for Retirement of General Long-Term Debt				
TOTAL ASSETS AND OTHER DEBITS	\$ 1,112,417	\$ 50,011	\$ 668	\$ 102
LIABILITIES, EQUITY, AND OTHER CREDITS				
LIABILITIES:				
Warrants Outstanding	\$ 53,650	\$ 132	\$	\$
Accounts Payable	245,671	832		
Due to Other Funds	3,460,637	2,839		
Due to Component Units	3,017			
Due to Primary Government				
Interest Payable				
Deferred Revenues, Advances, and Prepayments	49,061	9,457		
Notes and Bonds Payable				
Revenue Bonds Payable				
Other Long-Term Debt				
Other Liabilities	2,935	300		
TOTAL LIABILITIES	3,814,971	13,560	0	0
EQUITY AND OTHER CREDITS:				
Investment in General Fixed Assets				
Contributed Capital				
Net Unrealized Gains on Investments				
Retained Earnings:				
Reserved				
Unreserved				
Fund Balances:				
Reserved for Encumbrances	148,581	4,616		
Reserved for Nonexpendable Trust Corpus				
Reserved for Employees' Pension Benefits				
Reserved for Employees' Postemployment Healthcare Benefits				
Reserved for Other	220,633	222	668	
Unreserved, Designated	287,629	23,130		102
Unreserved, Undesignated (See Note 1.M.)	(3,359,397)	8,483		
TOTAL EQUITY AND OTHER CREDITS	(2,702,554)	36,451	668	102
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 1,112,417	\$ 50,011	\$ 668	\$ 102

The notes to the financial statements are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals Primary Government (Memorandum Only)	Component Units
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	June 30, 1999	
\$ 399,576	\$ 117,429	\$ 44,188,499	\$	\$	\$ 45,243,630	\$ 2,840,813
16,680	5,126	223,289			544,646	61,615
29,294		189,897			219,901	44,806
88	6,729	4,497,526			4,575,978	
					204,954	93,796
						451,488
235,481		16,284			274,591	3,228,597
	3,503				14,537	7,478
2,034					2,034	6,352
347,164	78,181		2,504,463		2,929,808	1,802,894
						408,205
6,645	733	8			21,748	543,350
				361,162	361,162	
\$ 1,036,962	\$ 211,701	\$ 49,115,503	\$ 2,504,463	\$ 361,162	\$ 54,392,989	\$ 9,489,394
\$ 358	\$ 487	\$ 8,522	\$	\$	\$ 63,149	\$ 2,303
1,461	49,483	305,057			602,504	356,167
17,862	4,651	1,093,116			4,579,105	
		436,753			439,770	93,796
						195,151
4,534	25				4,559	38,831
3,299		14,533			76,350	69,499
	2,915			2,376	5,291	2,656,409
206,178					206,178	769,574
	4,121			358,786	362,907	36,458
194	3,047	56,373			62,849	385,136
233,886	64,729	1,914,354	0	361,162	6,402,662	4,603,324
			2,504,463		2,504,463	827,298
460,122	73,245				533,367	1,905,805
						152
5,476	4,440				9,916	25
337,478	69,287				406,765	1,477,646
		19,231,706			153,197	
		11,043,448			19,231,706	325,139
		3,091,812			11,043,448	
		13,834,183			3,091,812	
					14,055,706	281,129
					310,861	58,304
					(3,350,914)	10,572
803,076	146,972	47,201,149	2,504,463	0	47,990,327	4,886,070
\$ 1,036,962	\$ 211,701	\$ 49,115,503	\$ 2,504,463	\$ 361,162	\$ 54,392,989	\$ 9,489,394

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 1999

(Stated in Thousands)

	Governmental Fund Types	
	General	Special Revenue
REVENUES:		
Taxes	\$ 761,586	\$ 32,867
Licenses and Permits	63,914	22,959
Charges for Services	91,401	32
Fines and Forfeitures	12,495	112
Rents and Royalties		
General Fund	356,288	
Alaska Permanent Fund	155,827	
Constitutional Budget Reserve Fund		
Contributions		
Interest and Investment Income	45,839	932
Net Increase (Decrease) in the Fair Value of Investments		
Federal	1,029,328	10,638
Other	38,950	684
TOTAL REVENUES	2,555,628	68,224
EXPENDITURES:		
Current Operating		
General Government	194,529	2,625
Education	830,740	35,606
Health and Social Services	1,069,611	337
Law, Justice, and Public Protection	433,548	15,708
Natural Resources	129,491	21,989
Development	38,336	
Transportation	155,715	
Capital Outlay	477,749	1,319
Debt Service		
Intergovernmental	95,448	
TOTAL EXPENDITURES	3,425,167	77,584
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(869,539)	(9,360)
OTHER FINANCING SOURCES (USES):		
Operating Transfers (Out to) Other Funds	(26,760)	
Operating Transfers (Out to) Component Units	(170,223)	
Operating Transfers (Out to) Primary Government		
Operating Transfers In from Other Funds	6,268	13,063
Operating Transfers In from Component Units	16,915	172
TOTAL OTHER FINANCING SOURCES (USES)	(173,800)	13,235
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,043,339)	3,875
FUND BALANCES, BEGINNING OF YEAR	(1,603,128)	32,903
Residual Equity Fund Transfers (to) Other Funds	(159,690)	(310)
Residual Equity Fund Transfers from Other Funds	641	
Residual Equity Fund Transfers from Component Units	101,880	
Prior Period Adjustment	1,082	(17)
FUND BALANCES, END OF YEAR	\$ (2,702,554)	\$ 36,451

The notes to the financial statements are an integral part of this statement.

Governmental Fund Types		Fiduciary Fund Types	Totals Primary Government (Memorandum Only) Year Ended	Component Units
Debt Service	Capital Projects	Expendable Trust	June 30, 1999	
\$	\$	\$ 21,157	\$ 815,610	\$
		184	86,873	
		240	91,617	
			12,847	
			356,288	
			155,827	
		2,628	2,628	
		196,807	196,807	
		212,967	259,738	9,415
		(27,802)	(27,802)	
	2	7,020	1,046,988	
	8	8,217	47,859	
0	10	421,418	3,045,280	9,415
		8,148	205,302	771
			866,346	
		1,053,818	2,123,766	
		4,491	453,747	
		8,775	160,255	
			38,336	
	2	37,856	155,715	
8,839			516,926	
			8,839	7,470
			95,448	
8,839	2	1,113,088	4,624,680	8,241
(8,839)	8	(691,670)	(1,579,400)	1,174
		(487)	(27,247)	
			(170,223)	(2,964)
8,833		1,047,726	1,075,890	(915)
			17,087	2,964
8,833	0	1,047,239	895,507	(915)
(6)	8	355,569	(683,893)	259
0	768	7,295,656	5,726,199	34,410
	(674)		(160,674)	
674		310	1,625	
			101,880	
		17	1,082	
\$ 668	\$ 102	\$ 7,651,552	\$ 4,986,219	\$ 34,669

STATE OF ALASKA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL AND SPECIAL REVENUE FUND TYPES
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 1.03

	General Fund		
	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES:			
Unrestricted			
Taxes	\$ 935,930	\$ 762,199	\$ (173,731)
Licenses and Permits	64,130	63,914	(216)
Federal	1,500	792	(708)
Charges for Services	305,387	301,689	(3,698)
Fines and Forfeitures	10,017	12,495	2,478
Rents and Royalties			
General Fund	487,081	349,847	(137,234)
Alaska Permanent Fund	157,993	157,993	0
Interest and Investment Income	53,563	48,385	(5,178)
Other	36,192	37,997	1,805
TOTAL UNRESTRICTED	2,051,793	1,735,311	(316,482)
Restricted			
Federal	2,515,588	1,014,251	(1,501,337)
Interagency Receipts	469,965	292,641	(177,324)
Other	1,021	1,145	124
TOTAL RESTRICTED	2,986,574	1,308,037	(1,678,537)
TOTAL REVENUES	5,038,367	3,043,348	(1,995,019)
EXPENDITURES:			
Current Operating			
General Government	476,903	462,649	14,254
Education	916,581	898,510	18,071
Health and Social Services	1,193,575	1,116,710	76,865
Law, Justice, and Public Protection	491,667	471,370	20,297
Natural Resources	162,210	143,817	18,393
Development	44,027	41,059	2,968
Transportation	294,879	229,903	64,976
Capital Outlay	2,229,093	903,909	1,325,184
Intergovernmental	218,157	146,742	71,415
TOTAL EXPENDITURES	6,027,092	4,414,669	1,612,423
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(988,725)	(1,371,321)	(382,596)
OTHER FINANCING SOURCES (USES):			
Operating Transfers (Out to) Other Funds	(142,380)	(142,331)	49
Operating Transfers (Out to) Component Units	(182,514)	(170,223)	12,291
Operating Transfers In from Other Funds	122,470	121,898	(572)
Operating Transfers In from Component Units	18,606	18,035	(571)
Residual Equity Fund Transfers (to) Other Funds	(161,996)	(161,996)	0
Residual Equity Fund Transfers from Other Funds	816	816	0
Residual Equity Fund Transfers from Component Units	243,584	101,880	(141,704)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, BUDGETARY BASIS	\$ (1,090,139)	(1,603,242)	\$ (513,103)
RECONCILIATION OF BUDGETARY / GAAP REPORTING:			
Adjust Expenditures for Encumbrances		520,445	
Basis Difference		3,880	
Perspective Difference		(21,591)	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, GAAP BASIS		(1,100,508)	
FUND BALANCES, BEGINNING OF YEAR		(1,603,128)	
Prior Period Adjustment		1,082	
FUND BALANCES, END OF YEAR		\$ (2,702,554)	

The notes to the financial statements are an integral part of this statement.

STATEMENT 1.03

Special Revenue Funds		
Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
\$ 49,330	\$ 32,736	\$ (16,594)
22,410	22,959	549
50		(50)
35	32	(3)
150	112	(38)
900	932	32
573	684	111
73,448	57,455	(15,993)
19,253	10,638	(8,615)
19,253	10,638	(8,615)
92,701	68,093	(24,608)
2,494	2,494	0
49,330	35,606	13,724
589	337	252
54,619	20,422	34,197
24,331	22,939	1,392
8,299	3,528	4,771
50		50
139,712	85,326	54,386
(47,011)	(17,233)	29,778
13,140	13,063	(77)
172	172	0
	(310)	(310)
<u>\$ (33,699)</u>	<u>(4,308)</u>	<u>\$ 29,391</u>
	7,873	
	3,565	
	32,903	
	(17)	
	<u>\$ 36,451</u>	

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS / FUND BALANCES
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

	Proprietary Fund Types	
	Enterprise	Internal Service
OPERATING REVENUES:		
Charges for Goods and Services	\$ 52,334	\$ 57,418
Fines and Forfeitures	93	
Rents and Royalties		
Interest and Investment Income	13,942	
Net Increase (Decrease) in the Fair Value of Investments		
Premiums		210,480
Other	4,566	
TOTAL OPERATING REVENUES	70,935	267,898
OPERATING EXPENSES:		
Costs of Goods and Services		2,199
Operating	51,309	50,598
Interest and Service Fees		
Financing Costs		
Provision for Loan Losses and Forgiveness	6,206	82
Write-down and Net (Income) Expense of Real Estate Owned	110	
Depreciation	17,411	11,931
Benefits		182,299
Other		
TOTAL OPERATING EXPENSES	75,036	247,109
OPERATING INCOME (LOSS)	(4,101)	20,789
NONOPERATING REVENUES (EXPENSES):		
Net Increase (Decrease) in the Fair Value of Investments		
Revenues and Grants	10,631	2,594
Expenses	(6,481)	(933)
Gain (Loss) on Disposal of Fixed Assets	820	329
TOTAL NONOPERATING REVENUES (EXPENSES)	4,970	1,990
INCOME (LOSS) BEFORE OPERATING TRANSFERS	869	22,779
OPERATING TRANSFERS:		
Operating Transfers (Out to) Other Funds	(1,682)	
Operating Transfers (Out to) Component Units		
Operating Transfers (Out to) Primary Government		
Operating Transfers In from Other Funds	1,029	1,050
Operating Transfers In from Component Units		
Operating Transfers In from Primary Government		
NET INCOME (LOSS)	216	23,829
Depreciation on Fixed Assets Acquired by Grants or Contributions	5,770	
INCREASE (DECREASE) IN RETAINED EARNINGS/FUND BALANCES	5,986	23,829
RETAINED EARNINGS/FUND BALANCES, BEGINNING OF YEAR	336,968	49,896
Residual Equity Fund Transfers from Other Funds		
Prior Period Adjustment		2
RETAINED EARNINGS/FUND BALANCES, END OF YEAR	\$ 342,954	\$ 73,727

The notes to the financial statements are an integral part of this statement.

STATEMENT 1.04

Fiduciary Fund Types	Totals	
	Primary Government	
	(Memorandum Only)	
Nonexpendable Trust	Year Ended	
	June 30, 1999	
		Component Units
\$	\$	\$
	109,752	105,445
	93	3
		1,114
1,037,105	1,051,047	378,713
1,153,982	1,153,982	(10,104)
	210,480	
	4,566	48,699
2,191,087	2,529,920	523,870
	2,199	
41,140	143,047	131,362
		187,529
		10,047
	6,288	14,631
	110	786
	29,342	36,576
	182,299	
		40,964
41,140	363,285	421,895
2,149,947	2,166,635	101,975
38,305	38,305	
19,789	33,014	18,048
	(7,414)	(22,341)
	1,149	
58,094	65,054	(4,293)
2,208,041	2,231,689	97,682
(1,047,464)	(1,049,146)	
(35,647)	(35,647)	(3,138)
		(16,000)
	2,079	
		509
		35,647
1,124,930	1,148,975	114,700
	5,770	296
1,124,930	1,154,745	114,996
24,133,881	24,520,745	1,815,990
155,526	155,526	
	2	
\$ 25,414,337	\$ 25,831,018	\$ 1,930,986

STATE OF ALASKA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 1.05

	Proprietary Fund Types	
	Enterprise	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (4,101)	\$ 20,789
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Amortization	17,411	11,931
Provision for Loan Losses and Forgiveness	6,206	82
Principal Collections on Loans and Notes	17,118	
Loans and Notes Originated	(28,525)	
Write-Down and Net (Gain) Loss of Owned Property	100	
Investment Income		
Net Change in Fair Value of Investments		
Interest Expense		
Other		
Nonoperating Activity	(147)	(339)
(Increase) Decrease in Assets:		
Accounts Receivable - Net	(1,867)	17,506
Interest and Dividends Receivable	(4,390)	
Due from Other Funds	(31)	(289)
Due from Primary Government		
Loans, Notes, and Bonds Receivable	(397)	
Inventories		274
Reposessed Property	646	
Other Assets		62
Increase (Decrease) in Liabilities:		
Warrants Outstanding	(336)	73
Accounts Payable	503	10,964
Due to Other Funds	7,047	4,651
Due to Primary Government		
Interest Payable		
Deferred Revenues, Advances, and Prepayments	(83)	
Other Liabilities	(509)	122
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	8,645	65,826
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Advances and Contributions	13,363	
Residual Equity Fund Transfers (to) Other Funds	(4,799)	
Residual Equity Fund Transfers (to) Component Units		
Residual Equity Fund Transfers (to) Primary Government		
Residual Equity Fund Transfers from Other Funds	3,828	
Operating Transfers (Out to) Other Funds	(1,617)	
Operating Transfers (Out to) Component Units		
Operating Transfers (Out to) Primary Government		
Operating Transfers In from Other Funds	1,029	1,050
Operating Transfers In from Component Units		
Operating Transfers In from Primary Government		
Proceeds from Issuance of Long-Term Debt		
Payments on Long-Term Debt		
Proceeds from Issuance of Short-Term Debt		
Payments on Short-Term Debt		
Interest and Fees Paid on Borrowings		
NET CASH PROVIDED BY (USED FOR)		
NONCAPITAL FINANCING ACTIVITIES	11,804	1,050

The notes to the financial statements are an integral part of this statement.

STATEMENT 1.05

Fiduciary Fund Types	Totals	
	Primary Government (Memorandum Only)	
	Year Ended	
Nonexpendable Trust	June 30, 1999	Component Units
\$ 2,149,947	\$ 2,166,635	\$ 101,975
	29,342	25,635
	6,288	10,693
	17,118	406,671
	(28,525)	(651,381)
	100	1,084
(2,191,087)	(2,191,087)	(111,087)
		10,102
		153,767
		7
2,345	1,859	6,804
(45)	15,594	(4,426)
	(4,390)	(1,481)
(27)	(347)	
		(549)
52	(345)	(14,263)
	274	
	646	
2	64	(2,378)
(4)	(267)	(265)
2,223	13,690	547
(1)	11,697	
		(100)
		2,465
(6)	(89)	3,639
	(387)	35,029
(36,601)	37,870	(27,512)
	13,363	1,005
	(4,799)	
		(9,392)
		(107,122)
158,028	161,856	
(892,678)	(894,295)	
(33,076)	(33,076)	(3,138)
		(16,000)
	2,079	
24	24	509
		33,052
		135,520
		(170,645)
		1,159,994
		(1,084,918)
		(156,655)
(767,702)	(754,848)	(217,790)

This statement continued on next page.

COMBINED STATEMENT OF CASH FLOWS (CONTINUED)

ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 1999

(Stated in Thousands)

	Proprietary Fund Types	
	Enterprise	Internal Service
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Advances and Contributions	\$ 17,124	\$
Proceeds from Issuance of Long-Term Debt	198,765	
Payments on Long-Term Debt	(25,984)	(966)
Interest and Fees Paid on Borrowings	(2,320)	(553)
Acquisition and Construction of Fixed Assets and Deferred Costs	(47,438)	(12,231)
Proceeds from Sales of Fixed Assets	388	1,170
Investment in Direct Financing Leases		
Direct Financing Lease Receipts		
Payments on Capital Lease Obligations	(211)	(633)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	140,324	(13,213)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sales/Maturities of Investments	1,069,187	
Purchase of Investments	(1,048,588)	(68,209)
Undistributed Real Estate Income		
Interest Received on Investments	11,594	2,544
Principal Collections on Loans and Notes and Reduction in Real Estate Owned		
Loans Originated or Purchased		
Investment in Development Projects		
Change in Restricted Cash and Investments	(175,624)	
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(143,431)	(65,665)
NET INCREASE (DECREASE) IN CASH	17,342	(12,002)
CASH, BEGINNING OF YEAR	131,892	61,222
CASH, END OF YEAR	\$ 149,234	\$ 49,220
RECONCILIATION OF CASH TO THE BALANCE SHEET:		
Total Cash and Investments per the Balance Sheet	\$ 399,576	\$ 117,429
Less: Investments not meeting the definition of cash or cash equivalents	(69,443)	(68,209)
Restricted Cash and Investments	(180,899)	
CASH, END OF YEAR	\$ 149,234	\$ 49,220
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Residual Equity Fund Transfers from (to) Other Funds	\$ (641)	\$
Operating Transfers In from (Out to) Other Funds	(551)	
Sales of Real Estate Owned		
Bond Amortization		
Bond Issuance Cost Amortization		
Interest Capitalization		
Contributed Fixed Assets		135
Fixed Assets Transferred to General Fixed Assets Account Group		(140)
Interfund Asset Transfer		
Amortization of Investment in Direct Financing Leases		
Net Income (Loss) on Investment	238	

The notes to the financial statements are an integral part of this statement.

STATEMENT 1.05

Fiduciary Fund Types	Totals	
	Primary Government (Memorandum Only)	
	Year Ended	
Nonexpendable Trust	June 30, 1999	Component Units
\$	\$ 17,124	\$ 24,593
	198,765	105,360
	(26,950)	(13,417)
	(2,873)	(17,113)
	(59,669)	(46,902)
	1,558	1,227
		(105,882)
		22,683
	(844)	
0	127,111	(29,451)
	1,069,187	8,678,037
(2,019,265)	(3,136,062)	(8,450,620)
5,639	5,639	
2,693,010	2,707,148	118,892
		36,702
		(52,037)
		(16,821)
	(175,624)	(16,140)
679,384	470,288	298,013
(124,919)	(119,579)	23,260
774,154	967,268	101,741
\$ 649,235	\$ 847,689	\$ 125,001
\$ 26,796,501	\$ 27,313,506	\$ 2,633,937
(26,147,266)	(26,284,918)	(2,450,238)
	(180,899)	(58,698)
\$ 649,235	\$ 847,689	\$ 125,001
\$	\$ (641)	\$
	(551)	
		1,600
		313
		849
		3,312
	135	
	(140)	
		53,195
		2,085
	238	

STATE OF ALASKA
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 1.06

	Public Employees' Retirement System		
	Pension	Postemployment Healthcare	Total
ADDITIONS:			
CONTRIBUTIONS:			
Employers	\$ 69,337	\$ 27,860	\$ 97,197
Employees	64,145	25,774	89,919
Retirement Incentive Program	9,600	3,857	13,457
Other			
TOTAL CONTRIBUTIONS	143,082	57,491	200,573
INVESTMENT INCOME:			
Net Appreciation (Depreciation) in the Fair Value of Investments	353,388	141,994	495,382
Interest	142,501	57,258	199,759
Dividends	61,527	24,722	86,249
Net Recognized Mortgage Loan Recovery (Loss)	149	60	209
	557,565	224,034	781,599
Less: Investment Expenses	12,111	4,866	16,977
NET INVESTMENT INCOME	545,454	219,168	764,622
Other	3	1	4
TOTAL ADDITIONS	688,539	276,660	965,199
DEDUCTIONS:			
Benefits Paid	215,170	64,486	279,656
Insurance Premiums			
Refunds to Terminated Employees	10,297	4,138	14,435
Administrative Expenses	2,959	1,189	4,148
Other			
TOTAL DEDUCTIONS	228,426	69,813	298,239
NET INCREASE (DECREASE)	460,113	206,847	666,960
FUND BALANCES RESERVED FOR EMPLOYEES' PENSION AND POSTEMPLOYMENT HEALTHCARE BENEFITS:			
FUND BALANCES, BEGINNING OF YEAR	5,358,979	2,079,419	7,438,398
FUND BALANCES, END OF YEAR	\$ 5,819,092	\$ 2,286,266	\$ 8,105,358

The notes to the financial statement are an integral part of this statement.

Teachers' Retirement System			Judicial Retirement System		
Pension	Postemployment Healthcare	Total	Pension	Postemployment Healthcare	Total
\$ 50,352	\$ 11,132	\$ 61,484	\$ 1,413	\$ 90	\$ 1,503
39,096	8,643	47,739	295	19	314
4,377	968	5,345			
93,825	20,743	114,568	1,708	109	1,817
210,928	46,632	257,560	2,508	160	2,668
84,412	18,662	103,074	2,182	139	2,321
37,025	8,186	45,211	490	31	521
615	136	751			
332,980	73,616	406,596	5,180	330	5,510
7,450	1,647	9,097	116	7	123
325,530	71,969	397,499	5,064	323	5,387
1		1			
419,356	92,712	512,068	6,772	432	7,204
187,085	30,987	218,072	3,309	284	3,593
2,858	632	3,490			
1,410	312	1,722	22	1	23
191,353	31,931	223,284	3,331	285	3,616
228,003	60,781	288,784	3,441	147	3,588
3,173,255	741,980	3,915,235	62,052	2,638	64,690
\$ 3,401,258	\$ 802,761	\$ 4,204,019	\$ 65,493	\$ 2,785	\$ 68,278

This statement continued on next page.

STATE OF ALASKA
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS (CONTINUED)
PENSION TRUST FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 1.06

	National Guard and Naval Militia	Supplemental Benefits System
	Pension	Pension
ADDITIONS:		
CONTRIBUTIONS:		
Employers	\$ 1,104	\$ 43,275
Employees		43,275
Retirement Incentive Program		
Other		7,454
TOTAL CONTRIBUTIONS	1,104	94,004
INVESTMENT INCOME:		
Net Appreciation (Depreciation) in the Fair Value of Investments	434	199,371
Interest	526	105
Dividends	86	62,829
Net Recognized Mortgage Loan Recovery (Loss)		
	1,046	262,305
Less: Investment Expenses	30	
NET INVESTMENT INCOME	1,016	262,305
Other		
TOTAL ADDITIONS	2,120	356,309
DEDUCTIONS:		
Benefits Paid	1,673	119,096
Insurance Premiums		7,410
Refunds to Terminated Employees		
Administrative Expenses	75	2,503
Other		51
TOTAL DEDUCTIONS	1,748	129,060
NET INCREASE (DECREASE)	372	227,249
FUND BALANCES RESERVED FOR EMPLOYEES' PENSION AND POSTEMPLOYMENT HEALTHCARE BENEFITS:		
FUND BALANCES, BEGINNING OF YEAR	12,671	1,517,313
FUND BALANCES, END OF YEAR	\$ 13,043	\$ 1,744,562

The notes to the financial statement are an integral part of this statement.

STATEMENT 1.06

Totals		
June 30, 1999		
Pension	Postemployment Healthcare	Total
\$ 165,481	\$ 39,082	\$ 204,563
146,811	34,436	181,247
13,977	4,825	18,802
7,454		7,454
333,723	78,343	412,066
766,629	188,786	955,415
229,726	76,059	305,785
161,957	32,939	194,896
764	196	960
1,159,076	297,980	1,457,056
19,707	6,520	26,227
1,139,369	291,460	1,430,829
4	1	5
1,473,096	369,804	1,842,900
526,333	95,757	622,090
7,410		7,410
13,155	4,770	17,925
6,969	1,502	8,471
51		51
553,918	102,029	655,947
919,178	267,775	1,186,953
10,124,270	2,824,037	12,948,307
\$ 11,043,448	\$ 3,091,812	\$ 14,135,260

STATE OF ALASKA
COMBINING STATEMENT OF CHANGES IN FUND BALANCES
ALL COLLEGE AND UNIVERSITY FUNDS - DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 1.07

	Current		Student	Endowment
	Unrestricted	Restricted	Loan	and Similar
REVENUES AND OTHER ADDITIONS:				
Unrestricted Current Funds Revenue	\$ 288,951	\$	\$	\$
State Appropriations, Restricted				
Federal Grants and Contracts, Restricted		56,593		
State Grants and Contracts, Restricted		10,775		
Local Grants and Contracts, Restricted		1,163		
Private Gifts, Grants and Contracts, Restricted		27,825		
Investment Income, Restricted		4	17	
Endowment Income, Restricted		11		11,391
Bond Proceeds				
Sales and Services, Educational Departments, Restricted		789		
Other Income, Restricted		171	4	
Additions to Plant Facilities				
Retirement of Indebtedness				
TOTAL REVENUES AND OTHER ADDITIONS	288,951	97,331	21	11,391
EXPENDITURES AND OTHER DEDUCTIONS:				
Educational and General Expenditures	251,844	82,649		
Auxiliary Enterprises	28,242			
Indirect Cost Recovered		14,579		
Retirement of Indebtedness				
Interest on Indebtedness				
Expended for Plant Facilities				
Funds Transferred to Escrow Agent				
Other			18	131
Disposal of Plant Assets				
Future Lease Obligations				
Increase in Indebtedness				
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	280,086	97,228	18	131
TRANSFERS BETWEEN FUNDS:				
Mandatory	(5,151)	(27)		288
Nonmandatory	(765)	(110)		129
NET TRANSFERS BETWEEN FUNDS	(5,916)	(137)	0	417
NET INCREASE (DECREASE) IN FUND BALANCES	2,949	(34)	3	11,677
FUND BALANCES, BEGINNING OF YEAR	34,985	2,062	908	104,973
FUND BALANCES, END OF YEAR	\$ 37,934	\$ 2,028	\$ 911	\$ 116,650

The notes to the financial statement are an integral part of this statement.

STATEMENT 1.07

Plant				Totals
Unexpended	Retirement of Indebtedness	Renewals and Replacements	Investment In Plant	Year Ended
				June 30, 1999
\$	\$	\$	\$	\$
449				288,951
				449
				56,593
10,412				21,187
				1,163
6,991				34,816
312	244	38		615
				11,402
12,330	14,272			26,602
				789
334				509
			43,700	43,700
			2,899	2,899
30,828	14,516	38	46,599	489,675
				334,493
				28,242
65				14,644
	2,899			2,899
	1,841			1,841
27,972				27,972
	14,048			14,048
	229			378
1,339			7,925	9,264
			3,638	3,638
			8,047	8,047
29,376	19,017	0	19,610	445,466
(1,197)	6,077			(10)
8	(34)	452	320	0
(1,189)	6,043	452	320	(10)
263	1,542	490	27,309	44,199
24,134	2,423	785	799,989	970,259
\$ 24,397	\$ 3,965	\$ 1,275	\$ 827,298	\$ 1,014,458

STATE OF ALASKA
COMBINING STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES
ALL COLLEGE AND UNIVERSITY CURRENT FUNDS - DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 1.08

	Current		Totals Year Ended
	Unrestricted	Restricted	June 30, 1999
REVENUES:			
Tuition and Fees	\$ 48,677	\$	\$ 48,677
State Appropriations	169,604		169,604
Federal Appropriations	1,332		1,332
Local Appropriations	706		706
Federal Grants and Contracts	125	46,133	46,258
State Grants and Contracts		9,492	9,492
Local Grants and Contracts		1,100	1,100
Private Gifts, Grants and Contracts	2,322	25,129	27,451
Investment Income	4,582	6	4,588
Endowment Income	4,325	3	4,328
Sales and Services, Educational Departments	3,656	704	4,360
Sales and Services, Auxiliary Enterprises	28,356		28,356
Recovery of Indirect Costs	14,644		14,644
Other	10,622	82	10,704
TOTAL CURRENT FUNDS REVENUES	288,951	82,649	371,600
EXPENDITURES:			
Instruction	93,164	8,392	101,556
Academic Support	26,051	1,210	27,261
Research	21,649	52,718	74,367
Public Service	9,466	9,027	18,493
Student Service	21,395	1,968	23,363
Operations and Maintenance	33,185	440	33,625
Institutional Support	43,781	794	44,575
Student Aid	3,153	8,100	11,253
Auxiliary Enterprises	28,242		28,242
TOTAL CURRENT FUNDS EXPENDITURES	280,086	82,649	362,735
TRANSFERS AND OTHER CHANGES:			
Mandatory Transfers			
Principal and Interest, Educational Plant	(4,349)		(4,349)
Principal and Interest, Auxiliary Enterprises	(802)		(802)
Endowment		(27)	(27)
Nonmandatory Transfers and Other Changes			
Restricted	110	(110)	0
Endowment	(138)		(138)
Retirement of Indebtedness Funds	34		34
Renewals and Replacements	(451)		(451)
Investment in Plant	(320)		(320)
Excess of Restricted Receipts over Transfers to Revenue		103	103
TOTAL TRANSFERS AND OTHER CHANGES	(5,916)	(34)	(5,950)
NET INCREASE IN FUND BALANCES	\$ 2,949	\$ (34)	\$ 2,915

The notes to the financial statement are an integral part of this statement.



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STATE OF ALASKA
COMBINING BALANCE SHEET
ALL COMPONENT UNITS
June 30, 1999
(Stated in Thousands)

STATEMENT 1.09

	Special Revenue	Debt Service	Proprietary Fund Types	
			Alaska Industrial Development and Export Authority	
	Alaska Municipal Bond Bank Authority	Alaska Municipal Bond Bank Authority	Revolving Fund	Small Business Economic Development
ASSETS:				
Cash and Investments	\$ 41,935	\$ 65	\$ 455,960	\$ 1,196
Accounts and Notes Receivable - Net				
Interest Receivable	575	5,804	6,923	57
Due from Component Units	1,652	1		
Due from Primary Government				
Loans Receivable - Net			264,090	2,382
Bonds and Notes Receivable	445	154,313		
Inventories				
Reposessed Property			6,130	
Land				
Fixed Assets (Net of Accumulated Depreciation)				
Construction in Progress				
Net Investment in Direct Financing Leases			368,686	
Investment in Development Projects			149,350	
Bond Issue Costs				
Investment in Partnerships or Corporations			2,551	
Other Assets			13,068	
TOTAL ASSETS	\$ 44,607	\$ 160,183	\$ 1,266,758	\$ 3,635
LIABILITIES, EQUITY, AND OTHER CREDITS:				
LIABILITIES:				
Warrants Outstanding	\$	\$	\$	\$
Accounts Payable	44	12	7,857	
Commercial Paper				
Due to Component Units	1,653			
Due to Primary Government	915			
Interest Payable	154	5,858	7,002	
Deferred Revenues and Advances				
Long-Term Notes and Bonds	5,510	97,075	299,160	
Revenue Bonds Payable	1,525	57,238	100,000	
Long-Term Debt	137			
Other Liabilities			6,162	2
TOTAL LIABILITIES	9,938	160,183	420,181	2
EQUITY AND OTHER CREDITS:				
Investment in General Fixed Assets				
Contributed Capital			294,338	2,917
Net Unrealized Gains on Investments				
Retained Earnings:				
Reserved				25
Unreserved			552,239	691
Fund Balances:				
Reserved for Nonexpendable Trust Corpus				
Reserved for Other	18,937			
Unreserved, Designated	15,732			
Unreserved, Undesignated				
TOTAL EQUITY AND OTHER CREDITS	34,669	0	846,577	3,633
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 44,607	\$ 160,183	\$ 1,266,758	\$ 3,635

The notes to the financial statements are an integral part of this statement.

Proprietary Fund Types						Nonexpendable Trust
Alaska Student Loan Corporation	Alaska Housing Finance Corporation	Alaska Railroad Corporation	Alaska Energy Authority	Alaska Aerospace Development Corporation	Alaska Science and Technology Foundation	Alaska Mental Health Trust Authority
\$ 246,714	\$ 1,829,599	\$ 14,375	\$ 58,698	\$ 9,656	\$	\$ 17,739
5,983	24,302	10,992	9,892	1,382		5
	70,653		1,151			11
2,558						305,942
453,837	2,319,098				1,000	
	32,914					518
	222					
	12,503	13,850				996
	38,779	89,373	644,272	75		
	52,312	8,502		26,968		
	39,519					
4,909	21,437					
2	19,615	31,416				
\$ 714,003	\$ 4,460,953	\$ 168,508	\$ 714,013	\$ 38,081	\$ 1,000	\$ 325,211
\$ 1,880	\$	\$	\$	\$ 229	\$	\$ 194
450		10,086	3,131	2,600		937
	283,939					
	70,653					
			193,752	18		466
10,684	12,124		3,009			
11,597		51,092		6,081		729
	2,249,499	5,165				
425,676			148,971			
			429			
138	56,703	8,037	6,982	215		384
450,425	2,672,918	74,380	356,274	9,143	0	2,710
306,702	618,068	34,174	619,801	28,805	1,000	
		152				
(43,124)	1,169,967	59,802	(262,062)	133		
						219,052
						103,449
263,578	1,788,035	94,128	357,739	28,938	1,000	322,501
\$ 714,003	\$ 4,460,953	\$ 168,508	\$ 714,013	\$ 38,081	\$ 1,000	\$ 325,211

This statement continued on next page.

STATE OF ALASKA
COMBINING BALANCE SHEET (CONTINUED)
ALL COMPONENT UNITS
June 30, 1999
(Stated in Thousands)

STATEMENT 1.09

	Nonexpendable Trust Alaska Science and Technology Foundation		College and University	Totals
	Endowment Fund	International Trade & Business Endowment	University of Alaska	June 30, 1999
ASSETS:				
Cash and Investments	\$	\$	\$ 164,876	\$ 2,840,813
Accounts and Notes Receivable - Net			39,344	61,615
Interest Receivable				44,806
Due from Component Units			21,490	93,796
Due from Primary Government	124,887	5,927	12,174	451,488
Loans Receivable - Net				3,040,407
Bonds and Notes Receivable				188,190
Inventories			7,478	7,478
Reposessed Property				6,352
Land			24,681	52,030
Fixed Assets (Net of Accumulated Depreciation)			872,869	1,645,368
Construction in Progress			17,714	105,496
Net Investment in Direct Financing Leases				408,205
Investment in Development Projects				149,350
Bond Issue Costs				26,346
Investment in Partnerships or Corporations				2,551
Other Assets			301,002	365,103
TOTAL ASSETS	\$ 124,887	\$ 5,927	\$ 1,461,628	\$ 9,489,394
LIABILITIES, EQUITY, AND OTHER CREDITS:				
LIABILITIES:				
Warrants Outstanding	\$	\$	\$	\$ 2,303
Accounts Payable			47,111	72,228
Commercial Paper				283,939
Due to Component Units			21,490	93,796
Due to Primary Government				195,151
Interest Payable				38,831
Deferred Revenues and Advances				69,499
Long-Term Notes and Bonds				2,656,409
Revenue Bonds Payable			36,164	769,574
Long-Term Debt			35,892	36,458
Other Liabilities			306,513	385,136
TOTAL LIABILITIES	0	0	447,170	4,603,324
EQUITY AND OTHER CREDITS:				
Investment in General Fixed Assets			827,298	827,298
Contributed Capital				1,905,805
Net Unrealized Gains on Investments				152
Retained Earnings:				
Reserved				25
Unreserved				1,477,646
Fund Balances:				
Reserved for Nonexpendable Trust Corpus	101,137	4,950		325,139
Reserved for Other	23,750	977	134,016	281,129
Unreserved, Designated			42,572	58,304
Unreserved, Undesignated			10,572	10,572
TOTAL EQUITY AND OTHER CREDITS	124,887	5,927	1,014,458	4,886,070
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 124,887	\$ 5,927	\$ 1,461,628	\$ 9,489,394

STATE OF ALASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND COMPONENT UNITS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 1.10

	Special Revenue	Debt Service	Totals Year Ended June 30, 1999
	Alaska Municipal Bond Bank Authority	Alaska Municipal Bond Bank Authority	
REVENUES:			
Interest and Investment Income	\$ 1,946	\$ 7,469	\$ 9,415
EXPENDITURES:			
Current Operating			
General Government	771		771
Debt Service		7,470	7,470
TOTAL EXPENDITURES	771	7,470	8,241
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,175	(1)	1,174
OTHER FINANCING SOURCES (USES):			
Operating Transfers (Out to) Component Units	(2,964)		(2,964)
Operating Transfers (Out to) Primary Government	(915)		(915)
Operating Transfers In from Component Units	2,963	1	2,964
TOTAL OTHER FINANCING SOURCES (USES)	(916)	1	(915)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	259	0	259
FUND BALANCES, BEGINNING OF YEAR	34,410	0	34,410
FUND BALANCES, END OF YEAR	\$ 34,669	\$ 0	\$ 34,669

The notes to the financial statements are an integral part of this statement.

STATE OF ALASKA

STATEMENT 1.11

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS / FUND BALANCES

PROPRIETARY AND NONEXPENDABLE TRUST COMPONENT UNITS

For the Fiscal Year Ended June 30, 1999

(Stated in Thousands)

	Proprietary Fund Types			
	Alaska Industrial Development and Export Authority		Alaska Student Loan Corporation	Alaska Housing Finance Corporation
	Revolving Fund	Small Business Economic Development		
OPERATING REVENUES:				
Charges for Services	\$	\$ 4	\$	\$
Fines and Forfeitures		3		
Rents and Royalties				
Interest Income	20,512	120	33,189	164,181
Direct Financing Leases Interest Income	20,345			
Investment Income	23,692			113,144
Net Increase (Decrease) in the Fair Value of Investments	(4,798)			(5,298)
Other	5,315			41,448
TOTAL OPERATING REVENUES	65,066	127	33,189	313,475
OPERATING EXPENSES:				
Operating	5,093		7,715	23,662
Interest, Net Amortization and Fees	21,065			146,888
Financing Costs				10,047
Provision for Loan Losses and Forgiveness		19	7,433	7,179
Write-Down and Net (Income) Expense of Real Estate Owned	589	1		196
Depreciation	1,226			4,689
Other				40,964
TOTAL OPERATING EXPENSES	27,973	20	15,148	233,625
OPERATING INCOME (LOSS)	37,093	107	18,041	79,850
NONOPERATING REVENUES (EXPENSES):				
Interest Income			10,559	
Interest Expense			(22,251)	
Other Revenues				
TOTAL NONOPERATING REVENUES (EXPENSES)	0	0	(11,692)	0
INCOME (LOSS) BEFORE OPERATING TRANSFERS	37,093	107	6,349	79,850
OPERATING TRANSFERS:				
Operating Transfers (Out to) Component Units				
Operating Transfers (Out to) Primary Government	(16,000)			
Operating Transfers In from Component Units				
Operating Transfers In from Primary Government				
NET INCOME (LOSS)	21,093	107	6,349	79,850
Depreciation on Fixed Assets Acquired by Grants or Contributions	270			
Increase (Decrease) in Retained Earnings/Fund Balance	21,363	107	6,349	79,850
RETAINED EARNINGS/FUND BALANCE, BEGINNING OF YEAR	530,876	609	(49,473)	1,090,117
RETAINED EARNINGS/FUND BALANCE, END OF YEAR	\$ 552,239	\$ 716	\$ (43,124)	\$ 1,169,967

The notes to the financial statements are an integral part of this statement.

Proprietary Fund Types				Nonexpendable Trust			Totals
Alaska Railroad Corporation	Alaska Energy Authority	Alaska Aerospace Development Corporation	Alaska Science and Technology Foundation	Alaska Mental Health Trust Authority	Alaska Science and Technology Foundation Endowment Fund	International Trade & Business Endowment	Year Ended June 30, 1999
\$ 78,478	\$ 25,663	\$ 1,266	\$	\$ 34	\$	\$	\$ 105,445
				1,114			3
	2,922			26			1,114
				582			220,950
	(8)			9	24		20,345
1,903							137,418
							(10,104)
80,381	28,577	1,266	0	1,765	24	0	48,699
							523,870
67,792	4,758	1,725		8,483	11,834	300	131,362
	19,576						187,529
							10,047
							14,631
7,567	23,068	26					786
							36,576
							40,964
75,359	47,402	1,751	0	8,483	11,834	300	421,895
5,022	(18,825)	(485)	0	(6,718)	(11,810)	(300)	101,975
602		83					11,244
(90)							(22,341)
4,402				2,315	87		6,804
4,914	0	83	0	2,315	87	0	(4,293)
9,936	(18,825)	(402)	0	(4,403)	(11,723)	(300)	97,682
					(3,138)		(3,138)
							(16,000)
		509					509
				24,474	10,656	517	35,647
9,936	(18,825)	107	0	20,071	(4,205)	217	114,700
		26					296
9,936	(18,825)	133	0	20,071	(4,205)	217	114,996
49,866	(243,237)		0	302,430	129,092	5,710	1,815,990
\$ 59,802	\$ (262,062)	\$ 133	\$ 0	\$ 322,501	\$ 124,887	\$ 5,927	\$ 1,930,986

STATE OF ALASKA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY AND NONEXPENDABLE TRUST COMPONENT UNITS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 1.12

	Proprietary Fund Types			
	Alaska Industrial Development and Export Authority	Alaska Student Loan Corporation	Alaska Housing Finance Corporation	
	Revolving Fund	Small Business Economic Development		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 37,093	\$ 107	\$ 18,041	\$ 79,850
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	1,226			4,689
Amortization of Bond Discount, Premium, and Other Costs				3,792
Amortization of Unearned Income on				
Direct Financing Leases	(15,726)			
Provision for Loan Losses and Forgiveness		19	7,433	3,241
Principal Collections on Loans and Notes		124		406,262
Loans and Notes Originated		(464)		(650,917)
Write-Down and Net (Gain) Loss of Owned Property	279	1		954
Investment Income				(107,584)
Net Change in the Fair Value of Investments	4,797			5,297
Interest Expense				135,185
Other				7
Nonoperating Activity				
(Increase) Decrease in Assets:				
Accounts Receivable - Net				
Interest Receivable	1,315	(32)	(1,317)	(1,441)
Due from Primary Government		1	(697)	
Loans Receivable - Net			(14,263)	
Other Assets	4,892		21	(7,406)
Increase (Decrease) in Liabilities:				
Warrants Outstanding		(297)	(352)	
Accounts Payable	(1,241)		16	
Due to Primary Government				
Interest Payable	2,465			
Deferred Revenues and Advances			2,907	
Other Liabilities	6,162	2	138	25,066
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	41,262	(539)	11,927	(103,005)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Advances and Contributions		1,005		
Residual Equity Fund Transfer (to) Component Units				(9,392)
Residual Equity Fund Transfer (to) Primary Government				(107,122)
Operating Transfers (Out to) Component Units				
Operating Transfers (Out to) Primary Government	(16,000)			
Operating Transfers In from Component Units				
Operating Transfers In from Primary Government				
Proceeds from Issuance of Long-Term Debt			40,000	95,520
Payments on Long-Term Debt	(6,375)		(27,505)	(136,765)
Proceeds from Issuance of Short-Term Debt				1,159,994
Payments on Short-Term Debt				(1,084,918)
Interest and Fees Paid on Borrowings			(22,313)	(134,342)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	(22,375)	1,005	(9,818)	(217,025)

The notes to the financial statements are an integral part of this statement.

Proprietary Fund Types				Nonexpendable Trust			Totals
Alaska Railroad Corporation	Alaska Energy Authority	Alaska Aerospace Development Corporation	Alaska Science and Technology Foundation	Alaska Mental Health Trust Authority	Alaska Science and Technology Foundation Endowment Fund	International Trade & Business Endowment	Year Ended June 30, 1999
\$ 5,022	\$ (18,825)	\$ (485)	\$ 0	\$ (6,718)	\$ (11,810)	\$ (300)	\$ 101,975
7,567	23,068 993	26					36,576 4,785
							(15,726)
				285			10,693
							406,671
(150)							(651,381)
	(2,921)			(582)			1,084
	8						(111,087)
	18,582						10,102
							153,767
							7
4,402				2,315	87		6,804
544	(3,831)	(1,144)		5			(4,426)
				(6)			(1,481)
		150		(3)			(549)
							(14,263)
(152)		267					(2,378)
		229		155			(265)
(744)	1,555	250		711			547
		(141)		41			(100)
							2,465
244				488			3,639
1,156	2,598	(52)		(41)			35,029
17,889	21,227	(900)	0	(3,350)	(11,723)	(300)	(27,512)
							1,005
							(9,392)
							(107,122)
					(3,138)		(3,138)
							(16,000)
		509					509
				17,891	14,861	300	33,052
							135,520
							(170,645)
							1,159,994
							(1,084,918)
							(156,655)
0	0	509	0	17,891	11,723	300	(217,790)

This statement continued on next page.

STATE OF ALASKA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY AND NONEXPENDABLE TRUST COMPONENT UNITS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 1.12

	Proprietary Fund Types			
	Alaska Industrial Development and Export Authority	Alaska Student Loan Corporation	Alaska Housing Finance Corporation	
	Revolving Fund	Small Business Economic Development		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Advances and Contributions	\$	\$	\$	\$ 3,244
Proceeds from Issuance of Long-Term Debt	100,000			
Payments on Long-Term Debt	(7,405)			(411)
Interest and Fees Paid on Borrowings				(300)
Acquisition and Construction of Fixed Assets and Deferred Costs				(9,816)
Proceeds from Sales of Fixed Assets				1,077
Investment in Direct Financing Leases	(105,882)			
Direct Financing Lease Receipts	22,683			
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	9,396	0	0	(6,206)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from Sales/Maturities of Investments	400,542		291,165	7,986,330
Purchase of Investments	(362,159)		(310,277)	(7,772,380)
Income Received on Investments			10,595	104,062
Principal Collections on Loans and Notes and Reduction in Real Estate Owned	36,702			
Loans Originated or Purchased	(52,037)			
Investment in Development Projects	(16,821)			
Change in Restricted Cash and Investments				
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	6,227	0	(8,517)	318,012
NET INCREASE (DECREASE) IN CASH	34,510	466	(6,408)	(8,224)
CASH, BEGINNING OF YEAR	21,093	730	31,147	19,083
CASH, END OF YEAR	\$ 55,603	\$ 1,196	\$ 24,739	\$ 10,859
RECONCILIATION OF CASH TO THE BALANCE SHEET:				
Total Cash and Investments per the Balance Sheet	\$ 455,960	\$ 1,196	\$ 246,714	\$ 1,829,599
Less: Investments not meeting the definition of cash or cash equivalents	(400,357)		(221,975)	(1,818,740)
Restricted Cash and Investments				
CASH, END OF YEAR	\$ 55,603	\$ 1,196	\$ 24,739	\$ 10,859
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Sales of Real Estate Owned	\$ 1,600	\$	\$	\$
Bond Amortization			313	
Bond Issuance Cost Amortization			849	
Interest Capitalization			3,312	
Interfund Asset Transfer				53,195
Amortization of Investment in Direct Financing Leases				2,085

The notes to the financial statements are an integral part of this statement.

Proprietary Fund Types				Nonexpendable Trust			Totals
Alaska Railroad Corporation	Alaska Energy Authority	Alaska Aerospace Development Corporation	Alaska Science and Technology Foundation	Alaska Mental Health Trust Authority	Alaska Science and Technology Foundation Endowment Fund	International Trade & Business Endowment	Year Ended June 30, 1999
\$	\$	\$ 21,349	\$	\$	\$	\$	\$ 24,593
5,360							105,360
(2,186)	(3,415)						(13,417)
(92)	(16,721)						(17,113)
(3,735)	(812)	(32,539)					(46,902)
150							1,227
							(105,882)
							22,683
(503)	(20,948)	(11,190)	0	0	0	0	(29,451)
							8,678,037
(5,804)							(8,450,620)
602	2,968	83		582			118,892
							36,702
							(52,037)
							(16,821)
(12,893)	(3,247)						(16,140)
(18,095)	(279)	83	0	582	0	0	298,013
(709)	0	(11,498)	0	15,123	0	0	23,260
5,918	0	21,154	0	2,616	0	0	101,741
\$ 5,209	\$ 0	\$ 9,656	\$ 0	\$ 17,739	\$ 0	\$ 0	\$ 125,001
\$ 14,375	\$ 58,698	\$ 9,656	\$ 0	\$ 17,739	\$ 0	\$ 0	\$ 2,633,937
(9,166)							(2,450,238)
	(58,698)						(58,698)
\$ 5,209	\$ 0	\$ 9,656	\$ 0	\$ 17,739	\$ 0	\$ 0	\$ 125,001
\$	\$	\$	\$	\$	\$	\$	\$ 1,600
							313
							849
							3,312
							53,195
							2,085

STATE OF ALASKA
COMBINING BALANCE SHEET
ALL COMPONENT UNIT COLLEGE AND UNIVERSITY FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 1.13

	Current		Student
	Unrestricted	Restricted	Loan
ASSETS:			
Cash and Investments	\$ 79,341	\$ 70	\$ 59
Accounts and Notes Receivable - Net	4,099	25,249	692
Due from Component Units	18,201		160
Due from Primary Government	314		
Inventories	7,476		
Investment in Plant			
Land			
Fixed Assets			
Construction in Progress			
Assets in Trust			
Other Assets	1,445	5	
TOTAL ASSETS	\$ 110,876	\$ 25,324	\$ 911
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts Payable and Accrued Expenses	\$ 42,627	\$ 1,769	\$
Due to Component Units		21,490	
Advanced College Tuition Program	19,213		
Accrued Annual Leave	5,925		
Future Lease Obligations			
Revenue Bonds Payable			
Long-Term Debt			
Deposits Held in Custody for Others	5,177	37	
TOTAL LIABILITIES	72,942	23,296	0
FUND BALANCES:			
Net Investment in Plant			
Reserved		2,028	911
Unreserved, Designated	27,362		
Unreserved, Undesignated	10,572		
TOTAL FUND BALANCES	37,934	2,028	911
TOTAL LIABILITIES AND FUND BALANCES	\$ 110,876	\$ 25,324	\$ 911

The notes to the financial statements are an integral part of this statement.

STATEMENT 1.13

				Totals
Endowment and Similar	Plant	Agency		June 30, 1999
\$ 70,439	\$ 14,936	\$ 31	\$	164,876
5,131	4,173			39,344
686	1,324	1,119		21,490
	11,860			12,174
		2		7,478
	24,681			24,681
	872,869			872,869
	17,714			17,714
		256,512		256,512
43,040				44,490
<u>\$ 119,296</u>	<u>\$ 947,557</u>	<u>\$ 257,664</u>	<u>\$</u>	<u>1,461,628</u>
\$	\$ 2,657	\$ 58	\$	47,111
				21,490
				19,213
				5,925
	18,536			18,536
	36,164			36,164
2,627	33,265			35,892
19		257,606		262,839
2,646	90,622	257,664		447,170
	827,298			827,298
103,226	27,851			134,016
13,424	1,786			42,572
				10,572
116,650	856,935	0		1,014,458
<u>\$ 119,296</u>	<u>\$ 947,557</u>	<u>\$ 257,664</u>	<u>\$</u>	<u>1,461,628</u>

**STATE OF ALASKA
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For the Fiscal Year Ended June 30, 1999**

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STATE OF ALASKA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the State of Alaska have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting. The financial statements of the College and University Funds have been prepared in conformity with GAAP as prescribed by the American Institute of Certified Public Accountants. Except for the Alaska Railroad Corporation statements which are prepared under ICC rules and regulations (US CFR Title 49) that are generally consistent with GAAP as promulgated by the Financial Accounting Standards Board (FASB), under the auspices of GASB Statement No. 20, the State does not apply FASB pronouncements issued after November 30, 1989, for proprietary activities, unless GASB amends its pronouncements to specifically adopt FASB pronouncements issued after that date.

A. THE FINANCIAL REPORTING ENTITY

The State of Alaska was admitted to the Union in 1959 and is governed by an elected Governor and a sixty-member elected legislature. As required by GAAP, these financial statements present all the fund types and account groups of the State which includes all agencies, boards, commissions, authorities, courts, and colleges and universities that are legally part of the State (primary government) and its component units discussed below. Component units are legally separate entities for which the primary government is financially accountable or such that their exclusion would cause the State's financial statements to be misleading or incomplete.

The following component units are included in the accompanying financial statements. Blended component units, although legally separate entities, are, in substance, part of the State's operations. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the State. Individual component unit financial reports may also be obtained from each of these organizations.

BLENDED COMPONENT UNITS

The **Alaska Permanent Fund Corporation** (APFC) is a public corporation and government instrumentality in the Department of Revenue (AS 37.13.040). A Governor appointed six-member board manages APFC. The legislature approves APFC's budget. The purpose of APFC is to provide a mechanism for the management and investment of Alaska Permanent Fund (Fund) assets. The Fund is a savings device, restricted as to usage, which belongs to all the people of Alaska. It was created in 1976 when the voters approved an amendment to the State constitution. The Fund is established as an inviolate trust. This means the principal of the Fund is to be invested in perpetuity. The beneficiaries of the trust are all present and future generations of Alaskans. The Fund represents 59 percent of the total cash and investments and 55 percent of total fund equity of all funds excluding the general fixed asset account group and discretely presented component units. APFC is reported in the fiduciary fund types as a nonexpendable trust fund. APFC financial statements may be obtained from the Alaska Permanent Fund Corporation, P.O. Box 25500, Juneau, AK 99802-5500.

The **Public Employees' Retirement System** (PERS) was established by State statute (AS 39.35.010). The Commissioner of Administration is responsible for the administration of PERS. The Governor appoints the majority of the PERS board. The board prescribes policies and regulations, hears appeals, and approves employers' rates. PERS costs, based upon actuarial valuations, are funded by the State, participating governmental employers, and participants. PERS is reported in the fiduciary fund types as a pension trust fund. The Alaska State Pension Investment Board (ASPIB) is the fiduciary of PERS.

The **Teachers' Retirement System** (TRS) was established by State statute (AS 14.25.010). The Commissioner of Administration appoints the administrator of TRS. The administrator is responsible for the administration of TRS in accordance with State statutes. The Governor appoints the majority of the TRS board. The board prescribes policies and regulations, hears appeals, and approves employers' rates. TRS costs, based upon actuarial valuations, are funded by the State, participating governmental employers, and participants. TRS is reported in the fiduciary fund types as a pension trust fund. ASPIB is the fiduciary of TRS.

The **Judicial Retirement System** (JRS) was established by State statute (AS 22.25.048). The Commissioner of Administration is responsible for the administration of JRS. JRS costs, based upon actuarial valuations, are funded by the State and participants. JRS is reported in the fiduciary fund types as a pension trust fund. ASPIB is the fiduciary of JRS.

The **Alaska National Guard and Alaska Naval Militia Retirement System** (NGNMRS) was established by State statute (AS 26.05.222). The Commissioner of Administration is responsible for the administration of NGNMRS. NGNMRS costs, based upon actuarial valuations, are funded by the State. NGNMRS is reported in the fiduciary fund types as a pension trust fund. ASPIB is the fiduciary of NGNMRS.

The **Supplemental Benefits System** (SBS) was established by State statute (AS 39.30.150). The Commissioner of Administration is responsible for the administration of SBS. SBS is reported in the fiduciary fund types as a pension trust fund. ASPIB is the fiduciary of SBS.

Copies of the audited financial statements for the retirement systems and for SBS may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

DISCRETELY PRESENTED COMPONENT UNITS

The **Alaska Aerospace Development Corporation** (AADC) is a public corporation of the State located for administrative purposes within the Department of Commerce and Economic Development (AS 14.40.821). The Governor appoints the voting members of the AADC board of directors and the legislature approves AADC's budget. AADC is also affiliated with the University of Alaska but with a separate and independent legal existence. The purpose of AADC is to allow the State to take a lead role in the exploration and development of space, to enhance human and economic development, and to provide a unified direction for space-related economic growth, education and research development, and tourism related activities. AADC is also to promote the continued utilization of the Poker Flat Research Range as a launch site for launch vehicles and for scientific research. Additionally, AADC is to promote and encourage the continued utilization of Poker Flat Research Range for the University of Alaska's polar research efforts. AADC financial statements may be obtained from the Alaska Aerospace Development Corporation, 4300 B St. Suite 101, Anchorage, AK 99503.

The **Alaska Energy Authority** (AEA) is a public corporation of the State in the Department of Commerce and Economic Development but with a separate and independent legal existence (AS 44.83.020). The purpose of AEA was to promote, develop, and advance the general prosperity and economic welfare of the people of the State by providing a means of constructing, acquiring, financing, and operating power projects and facilities that recover and use waste energy.

However, chapters 18 and 19, session laws of Alaska (SLA) 1993, which became effective August 11, 1993, eliminated the ability of AEA to construct, own, and acquire energy projects and the programs operated by AEA were transferred to the Department of Community and Regional Affairs. The corporate structure of AEA was retained but the board of directors of the Alaska Industrial Development and Export Authority (AIDEA) is now the board of directors of AEA and the Executive Director of AIDEA is also the Executive Director of AEA. It is the intent of the legislation that ongoing operation of the operating assets be assumed by the electric utility companies that use or purchase power from AEA with oversight responsibility retained by AEA. AEA financial statements may be obtained from the Alaska Industrial Development and Export Authority, 480 W. Tudor Rd., Anchorage, AK 99503-6690.

The **Alaska Housing Finance Corporation** (AHFC) is a public corporation and government instrumentality within the Department of Revenue, but having a legal existence independent of and separate from the State (AS 18.56.020). The Governor appoints the board of directors of AHFC. The legislature approves AHFC's budget. AHFC assists in providing decent, safe, and sanitary housing by providing mortgage loan financing. AHFC acts as the principal source of residential financing in the State and functions as a secondary mortgage market. AHFC financial statements may be obtained from the Alaska Housing Finance Corporation, P.O. Box 101020, Anchorage, AK 99510-1020.

The **Alaska Industrial Development and Export Authority** (AIDEA) is a public corporation of the State and a political subdivision within the Department of Commerce and Economic Development (AS 44.88.020). The Governor appoints all members of the AIDEA board of directors and the legislature approves AIDEA's budget. The purpose of AIDEA is to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska; to relieve problems of unemployment; to create additional employment by providing various means of financing; and to facilitate the financing of industrial, manufacturing, export, and business

enterprises within the State. AIDEA financial statements may be obtained from the Alaska Industrial Development and Export Authority, 480 W. Tudor Rd., Anchorage, AK 99503-6690.

The **Alaska Mental Health Trust Authority (AMHTA)** is established as a public corporation of the State within the Department of Revenue (AS 47.30.011). The Governor appoints the AMHTA board of trustees. The legislature approves AMHTA's budget. The purpose of AMHTA is to ensure an integrated comprehensive mental health program. As provided in AS 37.14.009, AMHTA is to administer the trust established under the Alaska Mental Health Enabling Act of 1956. AMHTA financial statements may be obtained from the Alaska Mental Health Trust Authority, 550 W 7th Ave, Suite 1820, Anchorage, AK 99501.

The **Alaska Municipal Bond Bank Authority (AMBBA)** is a public corporation and an instrumentality of the State within the Department of Revenue, but with a legal existence independent of and separate from the State (AS 44.85.020). The Governor appoints members of the AMBBA board of directors. The legislature approves AMBBA's budget. AMBBA was created for the purpose of making available to municipalities within the State moneys to finance their capital projects or for other authorized purposes by means of issuance of bonds by AMBBA and use of proceeds from such bonds to purchase from the municipalities their general obligation and revenue bonds. AMBBA commenced operations in August 1975. AMBBA financial statements may be obtained from the Alaska Municipal Bond Bank Authority, P.O. Box 110405, Juneau, AK 99811-0405

The **Alaska Railroad Corporation (ARRC)** is a public corporation and instrumentality of the State within the Department of Commerce and Economic Development (AS 42.40.010). ARRC has a legal existence independent of and separate from the State. The powers of ARRC are vested in the board of directors appointed by the Governor. ARRC was created by the State of Alaska legislature to own and operate the railroad and manage the railroad's rail, industrial, port, and other properties. The ARRC commenced operations on January 6, 1985. ARRC financial statements may be obtained from the Alaska Railroad Corporation, P.O. Box 107500, Anchorage, AK 99510-7500.

The **Alaska Science and Technology Foundation (ASTF)** is established as a public corporation in the Department of Commerce and Economic Development (AS 37.17.010). ASTF is governed and administered by a board of directors appointed by the Governor. ASTF's budget is approved by the legislature. The purpose of ASTF is to promote and enhance through basic and applied research: economic development and technological innovation in Alaska, public health, telecommunications, and sustained growth and development of Alaskan scientific and engineering capabilities. A BIDCO (AS 37.17.210) loan fund was created in ASTF in FY 95 to assist in the formation, capitalization, and operation of corporations that are licensed under AS 10.13. ASTF financial statements may be obtained from the Alaska Science and Technology Foundation, 4500 Diplomacy Dr., Suite 515, Anchorage, AK 99508-5918.

The **Alaska Student Loan Corporation (ASLC)** is a public corporation and government instrumentality within the Department of Education but having a legal existence independent of and separate from the State (AS 14.42.100). ASLC is governed by a board of directors appointed by the Governor. ASLC's budget is approved by the legislature. The purpose of the corporation is to improve higher educational opportunities for residents of the State. ASLC financial statements may be obtained from the Postsecondary Education Commission, 3030 Vintage Blvd., Juneau, AK 99801-7109.

The **University of Alaska** is established as a corporation and is an instrumentality of the State of Alaska (AS 14.40.040). A board of regents appointed by the Governor and confirmed by the legislature governs the university. The legislature approves the university's budget. The university is created and acts for the benefit of the State and the public in providing education in accordance with an express mandate of the constitution. The university's financial statements may be obtained from the University of Alaska, Statewide Fund Accounting, 209 B Butrovich Building, P.O. Box 756540, Fairbanks, AK 99775-6540.

The following organizations have been determined to be component units required to be discretely presented. However, they are reported in the general fund within the Department of Commerce and Economic Development because their financial activities, which are immaterial, are currently accounted for in the State's general fund.

The **Alaska Seafood Marketing Institute (ASMI)** is a public corporation of the State (AS 16.51.010). It is an instrumentality of the State with a legal existence independent of and separate from the State. ASMI is governed by a board of directors appointed by the Governor, and its budget is approved by the legislature. The purpose of ASMI is to promote all species of seafood and their by-products harvested in Alaska for sale, and to develop market-oriented quality specifications. Exercise of the powers conferred by statute to ASMI is an essential governmental function. The ASMI 1999 budget was approximately \$10.5 million.

The **Alaska Tourism Marketing Council (ATMC)** is a public corporation of the State (AS 44.33.700). It is an instrumentality of the State with a legal existence independent of and separate from the State. ATMC is governed by a board of directors, of whom the majority are appointed by the Governor, and its budget is approved by the legislature. The purpose of ATMC is to support and expand the visitor industry of the State and to foster expansion of the market for Alaska as a destination throughout the nation and the world. Exercise of the powers conferred by statute to ATMC is an essential governmental function. The ATMC 1999 budget was approximately \$4.6 million.

The following organizations, which were created by State statute, have been determined not to be part of the reporting entity. Individual financial reports may also be obtained from each of these organizations:

The **Alaska Bar Association (ABA)** is an instrumentality of the State but is a separate and independent agency (AS 08.08.010). The powers and duties of the board are conferred by the Alaska Integrated Bar Act (AS 08.08) and the Alaska Bar Rules promulgated by the Supreme Court of Alaska. The main function of ABA is the admission and discipline of its members. Additional functions include providing for continuing legal education and certification of a continuing legal education program. ABA is excluded from the State's reporting entity primarily because the State does not appoint a voting majority of the board of directors, and ABA is not fiscally dependent on the State.

The **Alaska Commercial Fishing and Agriculture Bank (CFAB)** was created by State statute and was incorporated on May 4, 1979 (AS 44.81.010). Its purpose is to promote growth of Alaska agriculture and fishing by providing debt financing to resident-owned businesses engaged in harvesting, processing, or marketing, and to promote its own growth as a strong user-oriented institution through cooperative ownership and self-governance. CFAB is excluded from the State's reporting entity primarily because the State does not appoint a voting majority of the CFAB board of directors, and CFAB is not fiscally dependent on the State.

The legislature delegated authority to operate public schools in **regional educational attendance areas (REAA)**s to local school boards (AS 14.08.021). The Department of Community and Regional Affairs in consultation with the Department of Education and local communities is to divide the unorganized borough into educational service areas using the boundaries or subboundaries of the regional corporations established under the Alaska Native Claims Settlement Act, unless by referendum a community votes to merge with another community contiguous to it but within the boundaries or subboundaries of another regional corporation. REAAs are excluded from the State's reporting entity primarily because the State does not appoint a voting majority of the REAAs' boards. The regional school boards have corporate powers: the right to sue and be sued, establish fiscal procedures, adopt regulations, establish personnel rules, etc. Unlike other school districts, no local contributions are required for funding the schools' operations.

B. BASIS OF PRESENTATION

The accompanying financial statements of the State of Alaska have been prepared in conformity with generally accepted accounting principles (GAAP). The State of Alaska maintains its accounting in accordance with the principles of fund accounting. With the exception of financial activity separately accounted for by the component units referenced in Note 1.A, the financial transactions of the State are recorded in individual funds in the State's central accounting system. A fund is a fiscal and accounting entity established to segregate and to account for designated resources and activities. The transactions of each fund are recorded in a self-balancing group of accounts - an accounting entity - which stands separate from activities reported in other funds.

For financial statement presentation, like kinds of funds are combined and reported as a fund group. The accompanying financial statements are structured into three categories of funds and a fourth category of accounting entity, the account group.

GOVERNMENTAL FUNDS

Governmental funds are used to account for the State's general government activities. The general fund is the State's primary operating fund, and also accounts for the majority of the State's capital project expenditures. It is used to account for all financial resources except those required to be accounted for in another fund. The special revenue funds account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The debt service fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The capital projects funds primarily account for general obligation bond proceeds and other financial resources appropriated to the capital projects funds to be utilized for the acquisition, construction, or improvement of major

capital facilities. However, capital projects are accounted for in each fund from which appropriations are made to finance the projects, with the majority of the capital projects being accounted for in the general fund.

PROPRIETARY FUNDS

Enterprise funds account for operations: (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Several component units of the State are reported in this fund group, as well as those funds accounted for on the State's accounting system.

Internal service funds account for the financing of goods and services provided by one department or agency to other departments or agencies of the State on a cost-reimbursement basis.

FIDUCIARY FUNDS

Fiduciary funds account for assets held by the State on behalf of others in a fiduciary capacity. Expendable trust funds account for assets held by the State in a trustee capacity where the principal and income may be expended in the course of the fund's designated operations. Nonexpendable trust funds account for assets held by the State in a trustee capacity where only income derived from the principal may be expended in the course of the fund's designated operations. The principal must be preserved intact. Pension trust funds account for transactions, assets, liabilities, and net assets available for plan benefits of the various public employees' retirement systems. Agency funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units, other organizations, or individuals.

ACCOUNT GROUPS

The general fixed assets account group is used to account for fixed assets (i.e., land, buildings, and equipment) owned by the State, except for those assets accounted for in proprietary and fiduciary funds. The general long-term debt account group accounts for all of the long-term obligations of the State except those accounted for in proprietary, trust, and college and university funds.

TOTALS PRIMARY GOVERNMENT (MEMORANDUM ONLY)

The "Totals Primary Government (Memorandum Only)" columns in the accompanying financial statements represent a summation of the combined financial statement line items of the fund types and account groups for the primary government only and are presented for analytical purposes. Amounts shown in this column are not comparable to a consolidation because fund types and account groups use different bases of accounting, interfund and intrafund transactions have not been eliminated, and the item captioned "Amount to be Provided for Retirement of General Long-Term Debt" is not an asset in the usual sense.

FISCAL YEAR-ENDS

All funds and component units of the State of Alaska are reported using fiscal years which end on June 30 except the Alaska Railroad Corporation and Deferred Compensation Fund fiscal years end on December 31, and the Alaska Supplemental Benefits System fiscal year ends on January 31.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST, AND AGENCY FUNDS

All governmental and expendable trust funds are accounted for using a current financial resources measurement focus and are reported on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available to finance operations during the current year or to liquidate liabilities existing at the end of the year. Major revenues that are determined to be susceptible to accrual include federal, charges for services, investment income, and petroleum related taxes and royalties.

The major unrestricted revenue categories of Taxes and Rents & Royalties are based on self-assessed returns. These returns are initially based upon estimated values and are subsequently settled as the actual values become known. These revenues are recorded in the fiscal year of the settlement.

All receipts dedicated to the Alaska Permanent Fund by the State constitution are recognized as revenues of the general fund and are offset by a corresponding residual equity transfer to the Alaska Permanent Fund. All receipts dedicated to the Public School Fund by statute are recognized as revenues of the Public School Fund. All receipts dedicated to the Constitutional Budget Reserve Fund by the State constitution are recognized as revenues of the Constitutional Budget Reserve Fund.

Expenditures are recognized when the related fund liability is incurred. Exceptions to the general modified accrual recognition criteria include principal and interest on general long-term indebtedness which are recognized when due and compensated absences which are recognized when paid.

Agency funds are also accounted for on the modified accrual basis of accounting. However, agency funds are custodial in nature (i.e., assets equal liabilities) and do not measure the results of operations.

PROPRIETARY FUND TYPES, NONEXPENDABLE, AND PENSION TRUST FUNDS

Proprietary funds and nonexpendable trust funds are accounted for on the flow of economic resources measurement focus and are reported on the accrual basis. Revenues are reported in the fiscal year in which they are earned and expenses are reported in the fiscal year in which the liabilities for goods and services are incurred.

Pension trust funds and the deferred compensation plan are reported on the accrual basis of accounting. Contributions are recognized in the period in which they become due. Benefits and refunds are recognized when due and payable.

D. BUDGETARY CONTROL

Once money received is deposited in the State Treasury, no money may be withdrawn from the Treasury except in accordance with an appropriation made by law. Those amounts received by component units are disbursed in accordance with their particular statutory authority.

The budgetary process is used to establish a balancing of estimated revenues coming into a fund with requested appropriations for that fund. Except for capital projects funds which prepare only project-length budgets, annual operating (and project-length) budgets are prepared for practically every fund and are submitted to the legislature for the enactment of appropriations. An appropriation is an authorization to spend money and to incur obligations. Each appropriation is limited as to purpose, time, and amount, and each of these limitations is legally binding. The legal level of budgetary control is maintained at the appropriation level as specified in the enabling legislation, which is generally at the program level within a department.

Appropriations as enacted by the legislature and signed by the Governor are entered into the accounting records. The balance of an appropriation is reduced when funds are expended or encumbered. Appropriations are encumbered for anticipated expenditures in the form of purchase orders, contracts, and other obligations. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities. Unencumbered annual appropriations lapse at the end of the fiscal year.

Expenditures of funds are made only upon properly approved requests for payment. The total of expenditures and encumbrances (obligations) may not exceed the appropriations to which they pertain. Transfers between appropriations are not authorized. Agencies faced with potential overexpenditure of appropriations must (1) reduce the rate of expenditures, (2) seek relief through supplemental appropriations, or (3) request necessary approvals to receive and expend additional funds. In order to provide sufficient funding for several programs during FY 99, supplemental appropriations of \$60.2 million were required of which \$25.4 million were appropriations from the general fund.

E. CASH AND INVESTMENTS, CASH AND CASH EQUIVALENTS

The amounts shown on the Combined Balance Sheet as Cash and Investments represent cash on deposit in banks, petty cash, cash invested in various short-term instruments, and other investments of the State and its component units. Investments of the State are stated at fair value in accordance with GASB Statement No. 31 (GASBS 31). In accordance with GASBS 31, all investments are stated at fair value, which approximates market value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of the State's nonpooled marketable debt securities is determined daily by the custodial agent using pricing services or prices quoted by one or more independent brokers. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates, if applicable, defaulting to current bid price if a particular security was not traded that day. Securities not traded on a national or international exchange are based on equivalent values of comparable securities with interest rates for similar instruments.

Fair value pricing of the State's pooled marketable debt securities is performed daily by the custodian utilizing an independent pricing service. Fair value has been established as the midpoint between the bid and asked prices.

The net asset value per share of the S&P 500 Common Trust Fund and S&P 500 Tobacco-free Common Trust Fund is determined by the custodian daily. Individual securities held by the commingled trust funds are priced daily using pricing services or prices quoted by one or more independent brokers.

Investments of the Alaska Permanent Fund Corporation (APFC) are valued as follows: marketable securities, excluding direct real estate investments, are reported at fair value. Real estate commingled funds and direct real estate investments are carried at historical cost plus the APFC's share of undistributed earnings. Investments held by other component units are stated at fair value.

Most entities that are included in the Combined Statement of Cash Flows for the enterprise and trust funds show changes in cash and cash equivalents. For the purpose of the statement of cash flows, all highly liquid debt instruments with original maturities of three months or less are considered cash and cash equivalents. In addition, because the State's Short-term Fixed Income Pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents. At June 30, 1999, the assets of the pool were comprised of U.S. Treasuries, Federal agency debt, and corporate and other U.S. dollar-denominated bonds with residual cash invested in short-term money market instruments.

F. RECEIVABLES

Receivables have been established and offset with proper provisions for estimated uncollectible accounts where applicable. The amount of noncurrent receivables is included in the fund balance reserve which indicates they do not constitute expendable available financial resources and therefore are not available for appropriation.

Practically all accounts receivable of governmental funds are due from oil companies and governmental entities, primarily the federal government, and are considered collectible. Accounts receivable in other funds have arisen in the ordinary course of business.

G. INVENTORIES

Inventories reported for the internal service funds and the general fund consist mainly of consumable materials and supplies. Inventories are carried at cost (average cost for Highway Equipment Working Capital; FIFO for other internal service funds and the general fund), and are accounted for on the consumption method. However, the majority of materials and supplies for State agencies are accounted for as expenditures at the time of purchase. Inventory of the University of Alaska is carried at the lower of cost or market.

H. FIXED ASSETS

GENERAL FIXED ASSETS

Purchases of general fixed assets are charged as expenditures in the appropriate funds. These assets are then recorded for stewardship purposes in the general fixed asset account group and are not depreciated.

Fixed assets in the general fixed asset account group are presented at cost or estimated historical cost, except for Statehood entitlement land which is carried at estimated nominal value of \$1 per acre and State-owned buildings (other than State-owned schools) which are stated at estimated replacement value. The estimated cost of State-owned school buildings included in buildings at June 30, 1999, is \$296,959,010. Donated fixed assets are stated at fair market value at the time of donation. Interest during construction has not been capitalized. Public domain infrastructure fixed assets, including highways, highway land and rights-of-way, bridges, and airports, are not capitalized.

Changes in general fixed assets for the fiscal year ending June 30, 1999 were (in thousands):

	Balance June 30, 1998	Increase (Decrease)	Balance June 30, 1999
Land	\$ 205,264	\$ 28,324	\$ 233,588
Buildings	1,419,071	134,085	1,553,156
Equipment	545,647	(5,154)	540,493
Construction in Progress	177,226	-	177,226
Total	<u>\$ 2,347,208</u>	<u>\$ 157,255</u>	<u>\$ 2,504,463</u>

The following relates to the land owned by the State:

- The total State entitlement amounts to approximately 105.7 million acres, 102.5 million of which was received through the Statehood Act. In accordance with the Alaska Statehood Act Section 6(g), Alaska Native Claims Settlement Act, and the Alaska National Interest Lands Conservation Act, section 906(c), 90.0 million acres have been patented or "tentatively approved."
- The State disposes of various land parcels through several programs. However, the State generally retains the subsurface rights of the land upon disposal.

INTERNAL SERVICE FUNDS

Fixed assets of the internal service funds are carried at cost. Depreciation is based on cost, using the straight-line method applied to the estimated useful life of the assets. Following is a summary of property and equipment at June 30, 1999 (in thousands):

	Life	Amount
Land Improvements	10 to 14 years	\$ 114
Buildings	25 to 40 years	1,672
Equipment	4 to 20 years	184,114
		<u>185,900</u>
Accumulated depreciation		(107,719)
Total		<u>\$ 78,181</u>

ENTERPRISE FUNDS

ALASKA INTERNATIONAL AIRPORT SYSTEM

Property and equipment is carried at cost, except property originally received from the federal government which is valued at fair market value at the date contributed. Major additions and improvements to property and equipment are capitalized. Depreciation is provided over the estimated useful lives using the straight-line method. Repair and maintenance costs are expensed as incurred.

The cost and accumulated depreciation of assets retired or sold are removed from the accounts and any gain or loss is reflected in operations in the year of disposition.

Airport property was owned by the federal government prior to Statehood and contributed to the State after that date. Subsequent additions to property and equipment have been funded by governmental contributions, bond proceeds, and operating revenues. Following is a summary of property and equipment at June 30, 1999 (in thousands):

	Life	Amount
Land		\$ 25,146
Land improvements	5 to 40 years	289,167
Buildings	10 to 40 years	219,513
Equipment	5 to 10 years	30,311
Construction in progress		28,308
		<u>592,445</u>
Accumulated depreciation and amortization		(248,168)
Total		<u>\$ 344,277</u>

DISCRETELY PRESENTED COMPONENT UNITS

Property and equipment are stated at cost (fair market value for donated) and depreciated on the straight-line method over the estimated useful lives of the related assets, except for the University of Alaska (in conformity with accounting practices for governmental educational institutions, depreciation is not recorded). The estimated useful lives of the assets range from 4 to 50 years. Following is a summary of property and equipment (including estimated depreciation for the University) at June 30, 1999 (in thousands):

	Amount
Land	\$ 52,030
Utility Plant	931,512
Buildings	759,457
Improvements other than buildings	72,574
Equipment	203,385
Other Capitalizable assets	103,000
Construction in progress	105,496
	<u>2,227,454</u>
Accumulated depreciation and amortization	(714,860)
Total	<u>\$ 1,512,594</u>

I. WARRANTS OUTSTANDING

Warrants outstanding represent drafts issued against the State Treasury which have not yet cleared. These are somewhat similar to outstanding checks, however, cash is not reduced until the warrant is redeemed.

J. INTERFUND LIABILITIES

The general fund interfund liability is composed primarily of amounts appropriated from the Constitutional Budget Reserve Fund (CBRF). Because article IX, section 17(d), of the Alaska Constitution provides that amounts appropriated from the CBRF are to be repaid, these appropriations are recognized as a liability in the general fund.

The composition of the amount owed to the CBRF is as follows:

Long-term Portion	
Chapter 14, SLA 1994, section 7	\$ 1,006,038,474
Chapter 14, SLA 1994, section 8	49,608,135
Chapter 14, SLA 1994, section 9	368,581,990
Chapter 3, FSSLA 1994, section 39(c)	22,417,986
Chapter 3, FSSLA 1994, section 40	68,738,958
Chapter 3, FSSLA 1994, section 22(a)	11,250,000
Chapter 6, FSSLA 1994, section 1	130,300,000
Article IX, section 17(d) Alaska Constitution (FY 95)	(95,506,853)
Chapter 94, SLA 1995, section 43(a)	95,506,853
Chapter 94, SLA 1995, miscellaneous operating appropriations	8,356,516
Chapter 94, SLA 1995, section 43(b)	284,873,567
Article IX, section 17(d) Alaska Constitution (FY 96)	(74,352,026)
Chapter 5, FSSLA 1996, section 1 (a)	74,352,026
Chapter 94, SLA 1995, miscellaneous operating appropriations	8,316,412
Article IX, section 17(d) Alaska Constitution (FY 97)	(166,019,445)
Chapter 98, SLA 1997, section 35(a)	166,019,445
Chapter 98, SLA 1997, page 47, line 3	529,258
Chapter 98, SLA 1997, section 35(b)	423,319,190
Article IX, section 17(d) Alaska Constitution (FY 98)	(89,264,067)
Chapter 139, SLA 1998, section 42(a)	89,264,067
Chapter 2, SLA 1999, section 16(c)	446,949
Chapter 27, SLA 1999, Y2K appropriations	2,336,290
Chapter 2, FSSLA 1999, section 21(a)	1,042,014,840
Article IX, section 17(d) Alaska Constitution (FY 99)	(94,632,453)
Total Long-term Portion	3,332,496,112
Short-term portion	
Article IX, section 17(d) Alaska Constitution (FY 99)	94,632,453
Total Due to the CBRF	<u>\$ 3,427,128,565</u>

The amounts appropriated in chapter 14, SLA 1994, sections 7 and 8 are equal to the amounts appropriated from the general fund to the CBRF to comply with court orders. In FY 91 through FY 94, the State deposited revenue into the general fund which several parties contended should have been deposited into the CBRF. The Alaska Superior Court and Supreme Court agreed that these moneys should have been deposited in the CBRF and the State was ordered to restore the CBRF, including interest earnings, retroactive to July 1, 1990. Chapter 14, SLA 1994, was enacted into law to comply with the courts' orders and sections 2, 3, and 4 of the law appropriated \$1,006,038,474, plus \$49,608,135 in interest which would have been earned on the money after June 30, 1990, from the general fund to the CBRF effective April 15, 1994.

Chapter 14, SLA 1994, section 9, chapter 3, FSSLA 1994, section 39(c), chapter 94, SLA 1995, section 43(b), chapter 98, SLA 1997, section 35(b), and chapter 2, FSSSLA 1999, section 21(a) appropriated additional amounts from the CBRF to the general fund to fund any shortfalls between State revenue and general fund appropriations for fiscal years 1994, 1995, 1996, 1998 and 1999 respectively.

Chapter 3, FSSLA 1994, section 40, appropriated an amount to cover the share of the State's actual expenditures for oil and gas litigation from July 1, 1990, through February 15, 1994, that is attributable to the CBRF. The appropriation in section 22(a) of chapter 3 was to cover costs relating to legal proceedings and audit activity involving oil and gas revenue due or paid to the State or State title to oil and gas land, for the fiscal year ending June 30, 1995.

Chapter 6, FSSLA 1994, section 1, was passed by the Alaska legislature to resolve the long-standing issue of reconstitution of the Alaska Mental Health Trust (AMHT). CBRF funds were appropriated to capitalize the AMHT.

This schedule shows the effect of article IX, section 17(d), of the Alaska Constitution which provides that the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund until the amount appropriated is repaid. As of June 30, 1995, 1996, 1997, 1998, and 1999, amounts in various subfunds and accounts of the general fund which were identified as available for appropriation were used to repay a part of the general fund liability to the CBRF. The amounts for FY 95, FY 96, FY 97 and FY 98 were transferred to the CBRF during FY 96, FY 97, FY 98, and FY 99 respectively. The amount for FY 99 will be transferred to the CBRF during FY 00 and, therefore, is shown as a short-term portion of the liability to the CBRF.

The amounts transferred under article IX, section 17(d), were appropriated back to the funds from which transferred under chapter 94, SLA 1995, section 43(a) for FY 95, chapter 5, FSSLA 1996, section 1(a) for FY 96, chapter 98, SLA 1997, section 35(a) for FY 97, and chapter 139, SLA 1998, section 42(a) for FY 98.

Chapter 94, SLA 1995, appropriated amounts from the CBRF to fund miscellaneous operating appropriations.

Chapter 98, SLA 1997, page 47, line 3, and chapter 2, SLA 1999, section 16(c) appropriated amounts from the CBRF for Treasury Management of CBRF investments in FY 98 and FY 99 respectively.

Chapter 27, SLA 1999, section 2(b) appropriated funds from the CBRF for year 2000 assessment, compliance, and remediation projects.

K. ANNUAL/PERSONAL AND SICK LEAVE

The cost of annual/personal leave and sick leave for State employees is charged against agency appropriations when leave is used rather than when leave is earned. The one exception is the payment of the accumulated annual/personal leave balance for an employee terminating from State service. That amount is charged to a terminal leave liability account rather than the individual agency appropriation. This liability account is funded by a charge to each agency's operating budget.

Regulations governing annual/personal leave provide that State employees will receive time off or pay for hours accumulated; consequently, a liability exists with respect to accumulated annual/personal leave at any given time. Accumulated unpaid annual leave for college and university funds, internal service funds, and component units is reported as a current liability. The State's long-term liability at June 30, 1999, for all other accumulated unpaid annual or personal leave for the governmental funds is reported in the accompanying general long-term debt account group in the amount of \$89.8 million. The current liability for accumulated unpaid annual or personal leave is reported in general fund accounts payable in the amount of \$2.8 million. There is no liability in the accompanying financial statements for unpaid accumulated sick leave. See Note 9 for disclosure of the amount of the sick leave contingency.

L. BUDGETARY REPORTING

The legislature's legal authorization ("appropriations") to incur obligations is enacted on a basis inconsistent with GAAP. The reconciliation of the budgetary basis to GAAP is shown directly on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis. Both the annual operating budget and the net continuing total budget are included.

The types of differences are as follows:

- For the general fund and special revenue funds, encumbrances are included for total authorized expenditures although for GAAP purposes they are excluded.
- For the general fund only, there was certain financial activity related to reimbursable services agreements (RSA) and certain interfund transactions that were recorded both in the general fund and in other funds. For budgetary purposes, that activity was left in the general fund, but for GAAP purposes it was eliminated from the general fund.

- Basis differences arise when the budgetary basis of accounting differs from the basis of accounting applicable to fund type when reporting on operations in accordance with GAAP. This difference is comprised of the following in the general fund (in thousands):

Petroleum severance taxes and royalties	\$ 5,974
Terminal leave	263
Medical Assistance Program	(2,357)
Total general fund basis difference	<u>\$ 3,880</u>

- Perspective differences result from the structure of financial information for budgetary purposes. The Group Health and Life Benefits Fund (Group Health and Life and Retiree Health) is established by statute as an account within the General Fund, but must be reported as an internal service fund to conform to GAAP. The federal receipts/disbursements for PL 81-874 are budgeted in the General Fund but are accounted for as an agency fund.

Group Health and Life and Retiree Health	\$ (19,197)
Federal receipts for PL 81-874	(2,394)
Total general fund perspective difference	<u>\$ (21,591)</u>

M. EQUITY AND OTHER CREDITS

RESERVED or DESIGNATED

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. A summary of the nature and purpose of these reserves of fund balances at June 30, 1999, by fund type follows (in millions):

Reserved for Specific Purposes	General	Special Revenue	Fiduciary	Component Units
Encumbrances	\$ 148.6	\$ 4.6	\$ -	\$ -
Four Dam Pool	184.6	-	-	-
Other nonliquid assets	19.7	-	-	-
Permanent Fund	-	-	25,132.1	-
Pension Benefits	-	-	11,043.4	-
Postemployment	-	-	-	-
Healthcare Benefits	-	-	3,091.8	-
Budget Reserve	-	-	6,012.6	-
Mental Health Trust	-	-	-	322.5
Science & Technology	-	-	-	130.8
University Endowment	-	-	-	103.2
Other	16.3	0.2	1,921.2	49.8
Total	<u>\$ 369.2</u>	<u>\$ 4.8</u>	<u>\$ 47,201.1</u>	<u>\$ 606.3</u>

Designations of unreserved fund balances are established to reflect tentative plans for future utilization of current financial resources. A summary of the designations follows (in millions):

Designated for	General	Special Revenue	Capital Projects
Continuing appropriations	\$ 152.3	\$ 23.1	\$ 0.1
Tax & royalty revenue accruals	65.1	-	-
Oil & hazardous substance release response	50.2	-	-
Power cost equalization & rural electric capitalization	2.3	-	-
Other	17.7	-	-
Total	<u>\$ 287.6</u>	<u>\$ 23.1</u>	<u>\$ 0.1</u>

DEFICIT FUND BALANCES

At June 30, 1999, the unreserved, undesignated fund balance of the general fund was a deficit of \$3.4 billion. This deficit is due primarily to the general fund liability for the amounts appropriated from the Constitutional Budget Reserve Fund of \$3.3 billion. Also, the unreserved, undesignated fund balance of the Disaster Relief Fund, a

Special Revenue fund, was a deficit of \$9.5 million. However, the Disaster Relief Fund had sufficient reserved and designated fund balance to offset the deficit resulting in a positive total fund balance.

In addition to the general fund and the Disaster Relief Fund, the following funds had deficit retained earnings at year-end (stated in thousands): Enterprise Funds - Mining Revolving Loan \$5,903, Rural Development Revolving Loan \$327, and Agriculture Revolving Loan \$31,557. However, each of these funds had sufficient contributed capital to offset the deficit resulting in a positive total fund equity.

The discretely presented component units with deficit fund balance/retained earnings were (stated in thousands): Alaska Student Loan Corporation, \$43,124, and Alaska Energy Authority, \$262,062. Each of these funds also had sufficient contributed capital to offset the deficit resulting in a positive total fund equity.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Governmental Accounting Standards Board (GASB) Statement No. 3 requires a disclosure regarding custodial credit risk to indicate the chance of loss in the event a financial institution or third party holding the deposits or securities fails. Deposits and those investments represented by specific, identifiable securities are classified into three categories of credit risk: Category 1 - Insured or registered, or securities held by the State or its custodian in the State's name; Category 2 - Uninsured or unregistered, with securities held by the counterparty's trust department or agent in the State's name; and Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the State's name.

A. DEPOSITS AND INVESTMENTS UNDER THE CONTROL OF THE COMMISSIONER OF REVENUE

By law, all deposits and investments are under the control of the Commissioner of the Department of Revenue (Commissioner) except where the legislature has delegated that responsibility to other individuals or boards responsible for separate subdivisions or component units of the State. Those agencies and component units which manage their own cash and investments are: Alaska Permanent Fund Corporation, Alaska Energy Authority, Alaska Housing Finance Corporation, Alaska Industrial Development and Export Authority, Alaska Municipal Bond Bank Authority, Alaska Railroad Corporation, Alaska Mental Health Trust Authority, Alaska Science and Technology Foundation, Alaska Student Loan Corporation, and the University of Alaska.

Invested assets under the fiduciary responsibility of the Commissioner are comprised of the General Fund and Other Non-segregated Investments (GeFONSI), Constitutional Budget Reserve Fund, International Airports Fund, Retiree Health Insurance Fund as well as the Public School, Alaska Children's, Investment Loss, and Supplemental Benefits System (SBS) trust funds (all collectively, Funds).

As the fiduciary, the Commissioner has the statutory authority (AS 37.10.070 - 37.10.071) to invest the assets under the Prudent Investor Rule which requires that investments shall be made with the judgement and care under circumstances then prevailing that an institutional investor of ordinary professional prudence, discretion, and intelligence exercises in managing large investment portfolios.

The Commissioner also acts as official custodian of the Alaska Advance College Tuition Payment Fund established under AS 14.40.803. Among other responsibilities, the custodian invests the assets of the fund as provided in AS 14.40.805 and in accordance with investment objectives, criteria, and asset allocation guidelines established by the Board of Regents of the University of Alaska.

Where possible, securities are managed in a pooled environment, unless required by statute or bond resolution to be held separately. The Short-term Fixed Income Pool contains assets of other participants outside the reporting entity and, as such, cannot be categorized into one of the three risk categories because the amounts reported represent interests in the pool rather than ownership of specific, identifiable securities. However, all of the underlying securities within the Short-term Fixed Income Pool are considered to be Category 1 and are held by the custodian in the State's name. Category 1 is the highest level of safekeeping security as defined by GASB.

Certain types of investments are not subject to the custodial credit risk disclosure requirements in GASB Statement No. 3. The common trust funds are open-ended mutual funds and are, therefore, not categorized with regard to credit risk. Mortgage assets are not transferable financial instruments (securities) and therefore are not categorized with regard to credit risk.

At June 30, 1999, except those not categorized with regard to credit risk as noted above, all of the Funds' deposits and investments are considered to be Category 1 with respect to safekeeping risk as defined by GASB Statement No. 3 and GASB Technical Bulletins No. 87-1 and No. 97-1. Category 1 is the highest level of safekeeping security as defined by GASB. Deposits and investments at June 30, 1999, are summarized as follows (in thousands):

<u>Deposits</u>	Category			Fair Value
	1	2	3	
Certificates of deposit	\$ 3,000	\$ -	\$ -	\$ 3,000
Non-interest bearing investments	7,516	-	-	7,516
Total	<u>\$ 10,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,516</u>

<u>Investments</u>	Category			Fair Value
	1	2	3	
Short-term investment fund	\$ 35	\$ -	\$ -	\$ 35
Intermediate-term fixed income pool	1,571,196	-	-	1,571,196
No-constraint fixed income pool	1,490,799	-	-	1,490,799
U.S. Government and agency debt	490	-	-	490
Total categorized investments	<u>\$ 3,062,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,062,520</u>
Not categorized:				
Short-term fixed income pool (a)				894,495
Russell Special Small company common trust fund				26,185
S&P 500 common trust fund				113,062
Mortgage assets, net of allowance				14
Total				<u>\$ 4,096,276</u>

(a) Includes funds under the fiduciary responsibility of the Alaska State Pension Investment Board which also participate in the Short-term Fixed Income Pool.

Additional investment information on the various pools and investments, as well as the Funds, may be obtained from the Department of Revenue, Treasury Division, P.O. Box 110405, Juneau, Alaska 99811-0405.

B. DEPOSITS AND INVESTMENTS UNDER THE CONTROL OF THE ALASKA STATE PENSION INVESTMENT BOARD

Assets of the pension funds (Public Employees', Teachers', Judicial, and the Alaska National Guard and Naval Militia Retirement Systems), the Supplemental Benefits System, and Deferred Compensation Plans are under the fiduciary responsibility of the Alaska State Pension Investment Board (ASPIB).

PENSION FUNDS

ASPIB has statutory responsibility for the pension funds' investments and the authority to invest the funds' moneys. As the fiduciary, ASPIB has the statutory authority to invest the assets under the Prudent Investor Rule. Alaska Statute provides that investments shall be made with the judgement and care under circumstances then prevailing that an institutional investor of ordinary professional prudence, discretion, and intelligence exercises in managing large investment portfolios. Actual investing is performed by the investment officers of the Division of Treasury or by contracted external investment managers. Specifically, external management companies manage the External Domestic Fixed Income Pool, International Fixed Income Pool, Domestic Equity Pool, International Equity Pool, Emerging Markets Equity Pool, Real Estate Equity Pool, and Private Equity Pool investments. In addition to acting as oversight manager for all externally managed investments, Treasury Division staff manage a majority of the pension funds' investments in domestic fixed income securities as well as all mortgage-related assets and cash holdings of certain external domestic equity managers.

Unless required by statute or bond resolution to be held separately, deposits and securities are managed in a pooled environment. Deposits and investments are recorded at fair value as defined by GASB No. 31. Mortgage-related assets are valued at their principal balance (cost) less an allowance for loan loss, the result of which approximates fair value.

The funds' cash and cash equivalents and investments other than mortgage-related assets are represented by participation in the investment pools rather than specific, identifiable securities. Although pooled deposits represent the funds' share of ownership in the pool rather than ownership of specific securities, all of the

underlying securities in the pool are considered to be Category 1 as defined by GASB Statement No. 3. Category 1 is the highest level of safekeeping security as defined by GASB.

The funds' pooled investments are considered to be Category 1 except those in the Emerging Markets Equity Pool which are considered to be Category 2, and shares in the Private Equity Pool and the Real Estate Equity Pool which, like the funds' mortgage-related assets, are not transferable financial instruments and therefore cannot be categorized with regard to custodial credit risk. At June 30, 1999, except those not categorized with regard to credit risk as described above, the pension funds' investments are classified as follows (in thousands):

Investments	Category			Fair Value
	1	2	3	
Marketable debt securities:				
U.S. Government debt	\$ 1,436,953	\$ -	\$ -	\$ 1,436,953
Federal agency debt	445,468	-	-	445,468
Corporate debt	1,953,916	-	-	1,953,916
Commercial paper	526,273	-	-	526,273
Mortgage backed securities	373,871	-	-	373,871
International fixed income	626,433	-	-	626,433
Equity securities:				
Domestic equities	5,117,074	-	-	5,117,074
Emerging market equities	-	125,680	-	125,680
International equities	1,903,338	-	-	1,903,338
Total categorized investments	<u>\$12,383,326</u>	<u>\$ 125,680</u>	<u>\$ -</u>	<u>12,509,006</u>
Not categorized:				
Cash and cash equivalents				377,316
Venture capital limited partnerships				65,149
Real estate equities				478,930
Mortgage-related assets				1,652
Interest and dividends receivable				81,746
Total				<u>\$13,513,799</u>
<u>Participant's Ownership in Pooled Investments</u>				
Public Employees' Trust Fund				\$ 8,088,138
Teachers' Trust Fund				4,184,707
Judicial Trust Fund				68,220
Alaska National Guard and Alaska Naval Militia Retirement Fund				13,137
Other funds (a)				1,159,597
Total				<u>\$13,513,799</u>

(a) Includes funds under the fiduciary responsibility of the Alaska State Pension Investment Board which also participate in the Short-term Fixed Income Pool.

Additional investment information on the assets of the retirement systems may be obtained from the Department of Revenue, Treasury Division, P.O. Box 110405, Juneau, Alaska, 99811-0405.

DEFERRED COMPENSATION

The State's Internal Revenue Code Section 457 deferred compensation plan investments in collective investment funds, held in trust, are stated at fair value based on the unit value as reported by the trustees multiplied by the number of units held. The unit value is determined by the trustees based on the fair market value of the underlying assets. Purchases and sales of assets within the collective investment pools are recorded on a trade-date basis.

Investments in fully benefit responsive synthetic investment contracts are stated at contract values which include contributions made under the contracts, plus earnings, less investment expenses and participant withdrawals paid to terminated members. The synthetic investment contracts (\$102.7 million) plus cash and cash equivalents (\$7.7 million) comprise the interest income fund.

As of December 31, 1998, deferred compensation plan investments totaled \$361.4 million (fair value). The investments were comprised of \$110.4 million in interest income fund (category 1), and \$251.0 million in collective

investment funds which cannot be categorized into one of the three risk categories because they represent interests in funds rather than ownership of specific securities.

SUPPLEMENTAL BENEFITS SYSTEM

Supplemental Benefits System (SBS) investments at January 31, 1999, include the following collective investment funds: S&P 500 Stock Index Fund, Daily Government/Corporate Bond Fund, Money Market Fund, as well as shares in the State of Alaska Short-term Fixed Income Pool.

SBS investments in collective investment funds, held in trust, are stated at fair value based on the unit value as reported by the trustees multiplied by the number of units held by SBS. Unit value is determined by the trustees based on the fair value of the underlying assets. Purchases and sales of securities are recorded on a trade-date basis.

SBS has formed six pooled investment funds, five of which are participant-directed. The pooled investment funds are wholly owned by the five participant-directed funds. The pooled investment funds at January 31, 1999, are GNMA Pool, Government/Corporate Pool, Cash Pool, Equity Pool, Small Cap Pool, and International Equity Pool. SBS ownership of pooled investment funds, held in trust, are stated at fair value based on the unit values as reported by the trustees multiplied by the number of units held by SBS. Unit value is determined by the trustees based on the fair market value of the underlying assets. Purchases and sales of securities are recorded on a trade-date basis.

SBS investments totaled \$1.74 billion (fair value) at January 31, 1999, all of which represents an undivided interest in commingled funds (pools) rather than specific, identifiable securities. Investments in collective investment funds cannot be categorized into one of the three risk categories because they represent interests in funds rather than ownership of specific securities. Although the pooled investments represent the Plan's ownership in the pools, rather than ownership of specific securities, all of the underlying securities in the pools in which the Plan participates are considered to be Category 1 and are held by the custodian in the Plan's name.

C. DEPOSITS AND INVESTMENTS MAINTAINED BY COMPONENT UNITS WHOSE ACCOUNTS ARE OUTSIDE OF THE STATE TREASURY

ALASKA PERMANENT FUND CORPORATION

All Alaska Permanent Fund Corporation deposits and investments are classified in GASB Statement No. 3 risk category 1, the lowest risk category, except as noted.

CASH AND TEMPORARY INVESTMENTS

All cash and temporary investments bear interest at competitive rates, and are summarized as follows at June 30, 1999 (in thousands):

Claims on cash (a)	\$ 142,216
U.S. agencies (b)	1,393
Commercial paper (c)	217,572
Total cash and temporary investments	<u>\$ 361,181</u>

- (a) Share ownership in a money market fund, payable on demand. Collateralized by underlying securities held by the custodian in the name of the Fund. Not considered an investment nor assigned a specific risk category.
- (b) Debt obligation guaranteed by the U.S. government.
- (c) Commercial paper rated investment grade.

MARKETABLE DEBT SECURITIES

The Corporation is authorized by statute to invest Fund assets in (i) corporate bonds rated investment grade, (ii) obligations of the U.S. Treasury, its agencies and instrumentalities, and (iii) foreign obligations of comparable quality. All marketable debt securities are held by custodian banks in the name of the Corporation on behalf of the Fund.

Marketable debt securities at June 30, 1999, are summarized as follows (in thousands):

	Cost	Market	Unrealized Gains/(Losses)
Treasury notes/bonds	\$ 4,366,922	\$ 4,278,235	\$ (88,687)
Mortgage-backed securities	795,587	790,671	(4,916)
Other federal agencies	1,315,035	1,306,731	(8,304)
Corporate bonds	3,690,793	3,618,564	(72,229)
Nondomestic bonds	512,488	484,924	(27,564)
Total marketable debt securities	<u>\$ 10,680,825</u>	<u>\$ 10,479,125</u>	<u>\$ (201,700)</u>

PREFERRED AND COMMON STOCK

The Corporation is authorized by statute to invest Fund assets in the preferred and common stock of United States and nondomestic corporations. All preferred and common stock investments are held by custodial banks in the name of the Corporation on behalf of the Fund. Preferred and common stock at June 30, 1999, are summarized as follows (in thousands):

	Cost	Market	Unrealized Gains
Domestic	\$ 6,351,224	\$ 9,430,628	\$ 3,079,404
Nondomestic	2,998,677	3,663,408	664,731
Total preferred & common stock	<u>\$ 9,349,901</u>	<u>\$ 13,094,036</u>	<u>\$ 3,744,135</u>

REAL ESTATE

The Corporation is authorized by statute to invest Fund assets in real estate improved by substantially rented buildings located in the U.S. Real estate investments may take the form of equity interests, real estate title-holding entities, investment trusts, operating companies or other entities whose assets consist primarily of real property, debt obligations secured by real property or similar entities. All real estate investments are held by the Corporation in its own name on behalf of the Fund, and are managed by professional real estate management firms.

Carrying value of real estate at June 30, 1999, was \$2,002,511,000. Carrying value consists of the equity value of direct real estate investments, commingled funds and commercial mortgages and the market value of real estate investment trusts and commercial mortgage-backed securities.

Real estate investments at June 30, 1999, are summarized as follows (in thousands):

	Book Value	Market Value	Unrealized Gains/(Losses)
Commingled funds	\$ 16,845	\$ 20,346	\$ 3,501
Real estate investment trusts	470,599	462,338	(8,261)
Commercial mortgages	11,646	11,646	-
Commercial mortgage-backed securities	112,608	112,269	(339)
Alaska residential mortgages	207	207	-
Direct investments -			
Retail	333,819	353,324	19,505
Office	581,964	659,703	77,739
Industrial	158,034	167,049	9,015
Residential	325,389	349,188	23,799
Total real estate	<u>\$ 2,011,111</u>	<u>\$ 2,136,070</u>	<u>\$ 124,959</u>

ALASKA CERTIFICATES OF DEPOSIT

The Corporation is authorized by statute to invest Fund assets in certificates of deposit or the equivalent instruments of banks, savings and loan associations, mutual savings banks, and credit unions doing business in Alaska. Letters of credit issued by the Federal Home Loan Bank secure these investments. The market value of these certificates of deposit approximates cost.

DISCRETELY PRESENTED COMPONENT UNITS

At June 30, 1999, the discretely presented component units' investments by risk category were (in thousands):

Investments	Category			Fair Value
	1	2	3	
U.S. Treasury securities	\$ 293,209	\$ 31,059	\$ -	\$ 324,268
U.S. Government agency securities:	376,315	75,614	-	451,929
Corporate securities	847,078	324,786	18,460	1,190,324
Total categorized investments	<u>\$ 1,516,602</u>	<u>\$ 431,459</u>	<u>\$ 18,460</u>	<u>1,966,521</u>
Not categorized				
Equity in State treasury				41,580
Equity in Permanent Fund Corporation				
Investments				436,753
Guaranteed Investment Contracts				9,340
Other				770,418
Total				<u>\$ 3,224,612</u>

NOTE 3 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONSSUMMARY OF CHANGES

A summary of changes in general long-term debt for the fiscal year ended June 30, 1999, (in thousands) is as follows:

	Balance July 1, 1998	Increases	Decreases	Balance June 30, 1999
Serial Bonds Payable	\$ 10,891	\$ -	\$ 8,515	\$ 2,376
Capital Leases Payable	169,613	3,318	13,866	159,065
Expendable Trust Fund	27,806	-	4,000	23,806
Accrued Vacation Leave	91,219	33,069	34,487	89,801
Claims and Judgements	99,847	-	13,733	86,114
Total	<u>\$ 399,376</u>	<u>\$ 36,387</u>	<u>\$ 74,601</u>	<u>\$ 361,162</u>

GENERAL OBLIGATION AND INTERNATIONAL AIRPORTS REVENUE BONDS

The full faith, credit, and resources of the State are pledged to secure payment of general obligation bonds. Gross revenues derived from the operation of the two international airports at Anchorage and Fairbanks are pledged to secure the payment of principal and interest on International Airports revenue bonds.

All general obligation bonds and International Airports revenue bonds authorized by the Alaska legislature have been issued. Debt service requirements for the next five years and thereafter are as follows (in thousands):

Year Ending June 30	General Obligation Bonds		Airport Revenue Bonds	
	Principal	Interest	Principal	Interest
2000	\$ 2,376	\$ 57	\$ 3,210	\$ 7,745
2001	-	-	1,135	10,152
2002	-	-	3,660	10,096
2003	-	-	5,730	9,937
2004	-	-	5,970	9,692
Thereafter	-	-	190,720	114,892
Total	<u>\$ 2,376</u>	<u>\$ 57</u>	<u>\$ 210,425</u>	<u>\$ 162,514</u>

CAPITAL LEASES PAYABLE

Debt service requirements for capital leases are (in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 15,959	\$ 4,114	\$ 20,073
2001	12,718	3,605	16,323
2002	12,718	3,181	15,899
2003	13,161	2,745	15,906
2004	12,632	2,313	14,945
Thereafter	91,877	7,431	99,308
Total	<u>\$ 159,065</u>	<u>\$ 23,389</u>	<u>\$ 182,454</u>

EXPENDABLE TRUST FUND LIABILITIES

Debt service requirements for expendable trust fund liabilities are \$4.0 million in fiscal year 2000, \$4.0 million for the next two years, with a final payment in fiscal year 2003 of \$11.8 million.

DISCRETELY PRESENTED COMPONENT UNITS

Debt service requirements are (in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 92,181	\$ 188,819	\$ 281,000
2001	96,284	191,114	287,398
2002	108,927	185,268	294,195
2003	113,585	177,064	290,649
2004	116,612	170,996	287,608
Thereafter	2,971,579	2,847,457	5,819,036
Total debt service requirements	<u>3,499,168</u>	<u>\$ 3,760,718</u>	<u>\$ 7,259,886</u>
Unamortized discounts, unexpended bond proceeds, accreted interest, and deferred amount on refunding	(37,292)		
Total principal outstanding	<u>\$ 3,461,876</u>		

The above table does not include \$428,605 of Alaska Energy Authority arbitrage interest payable.

NOTE 4 - DEFINED BENEFIT PENSION PLANS**A. STATE ADMINISTERED PLANS****DESCRIPTION OF PLANS****THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

PERS is a defined benefit, agent, multiple-employer public employee retirement system established and administered by the State to provide pension and postemployment healthcare benefits for eligible State and local government employees. Benefit and contribution provisions are established by Chapter 35 of Alaska Statute Title 39, and may be amended only by the State legislature. PERS provides for normal pension benefits, as well as death, disability, and postemployment healthcare benefits.

PERS is considered a component unit of the State financial reporting entity. PERS issues a separate stand-alone financial report that includes financial statements and required supplementary information, and PERS is also reported as a pension trust fund by the State. Copies of the audited financial statements may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

At June 30, 1999, the number of participating employers was:

State of Alaska	1
Municipalities	72
School Districts	51
Other	29
Total employers	<u>153</u>

Current employee contribution rates are 6.75 percent of compensation (7.5 percent for peace officers and firefighters). The employee contributions are deducted before federal income tax is withheld. The PERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual-covered payroll, are adequate to accumulate sufficient assets to pay both pension and postemployment health care benefits when due. Employer contribution rates are level percentages of payroll and are determined using the projected unit credit actuarial funding method. The employer rate for the State of Alaska for the year ended June 30, 1999, was 8.51 percent of compensation (8.44 for peace officers and firefighters).

The Schedule of Funding Progress for the State of Alaska for pension benefits follows (in thousands):

Actuarial Valuation Year Ended June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of covered payroll
1996	\$2,343,123	\$2,252,437	(\$90,686)	104.0%	708,180	(12.8%)
1997	2,681,121	2,558,428	(122,693)	104.8%	704,573	(17.4%)
1998	2,922,361	2,849,760	(72,601)	102.5%	706,711	(10.3%)

Postemployment healthcare benefits are provided to retirees without cost for all employees first hired before July 1, 1986, and employees who are disabled or age sixty-five or older, regardless of initial hire dates. Employees first hired after June 30, 1986, with five years of credited service (or ten years of credited service for those first hired after July 1, 1996) may receive postemployment healthcare benefits prior to age sixty by paying the full monthly premium, and by paying half of the monthly premium if they are between the ages of sixty and sixty-five.

Prior to July 1, 1997, postemployment healthcare benefits were provided by the payment of premiums to an insurance company. Beginning July 1, 1997, the Retiree Health Fund (RHF), an internal service fund of the State, was established. The RHF is self-funded and provides major medical coverage to retirees. Retirees of three other State plans also participate in the RHF. The retirement plans retain the risk of loss of allowable claims. The RHF issues a financial report which may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

The Schedule of Funding Progress for the State of Alaska for postemployment healthcare benefits follows (in thousands):

Actuarial Valuation Year Ended June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of covered payroll
1996	\$902,943	\$867,997	(\$34,946)	104.0%	708,180	(4.9%)
1997	999,283	953,554	(45,729)	104.8%	704,573	(6.5%)
1998	1,165,476	1,136,524	(28,952)	102.5%	706,711	(4.1%)

The State's annual required contributions for pension and postemployment healthcare benefits for the fiscal years ended June 30, 1999, 1998, and 1997 were \$57.1 million, \$63.4 million, and \$93.6 million respectively. The State contributed 100 percent for each of those years resulting in no net pension obligation (NPO).

The total State payroll, including all component units, was approximately \$697 million for the year ended June 30, 1999.

THE TEACHERS' RETIREMENT SYSTEM (TRS)

TRS is a defined benefit, cost-sharing, multiple-employer public employee retirement plan established to provide pension benefits for teachers and other eligible participants.

At June 30, 1999, the number of participating employers was:

State of Alaska	1
School Districts	53
Other	9
Total employers	<u>63</u>

TRS is considered a component unit of the State financial reporting entity. TRS issues a separate stand-alone financial report that includes financial statements and required supplementary information, and TRS is also reported as a pension trust fund by the State. Copies of the audited financial statements may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

Benefit and contribution provisions are established by Chapter 25 of Alaska Statute Title 14 and may be amended only by the State legislature. TRS provides for normal pension benefits, as well as death, disability, and postemployment healthcare benefits.

Current employee contribution rate is 8.65 percent of their base salary. The employee contributions are deducted before federal income tax is withheld. Eligible employees contribute an additional 1 percent of their salary under the supplemental contribution provision. The TRS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual-covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Employer contribution rates are level percentages of payroll and are determined using the projected unit credit actuarial funding method. The employer rate for the State of Alaska for the year ended June 30, 1999, was 12 percent of compensation.

Postemployment healthcare benefits are provided without cost to all employees first hired before July 1, 1990, and employees who are disabled or age sixty-five or older, regardless of initial hire dates. Employees first hired after June 30, 1990, may receive postemployment healthcare benefits prior to age sixty-five by paying premiums.

Prior to July 1, 1997, postemployment healthcare benefits were provided by the payment of premiums to an insurance company. Beginning July 1, 1997, the Retiree Health Fund (RHF), an internal service fund of the State, was established. The RHF is self-funded and provides major medical coverage to retirees. Retirees of three other State plans also participate in the RHF. The retirement plans retain the risk of loss of allowable claims. The RHF issues a financial report which may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

The State's contributions to TRS for the fiscal years ended June 30, 1999, 1998, and 1997, were \$510,638, \$658,035, and \$701,285 respectively, equal to the required contributions for each year.

THE JUDICIAL RETIREMENT SYSTEM (JRS)

JRS is a defined benefit, single-employer retirement system established to provide pension benefits for eligible State judges and justices.

JRS is considered a component unit of the State financial reporting entity. JRS issues a separate stand-alone financial report that includes financial statements and required supplementary information, and JRS is also reported as a pension trust fund by the State. Copies of the audited financial statements may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

Benefit and contribution provisions are established by Chapter 25 of Alaska Statute Title 22 and may be amended only by the State legislature. JRS provides for normal pension benefits, as well as death, disability, and postemployment healthcare benefits.

Members contribute 7 percent of their compensation to JRS. The contributions are deducted after federal income tax is withheld. Contributions are not required after members have made contributions for fifteen years, or from members first appointed before July 1, 1978. The JRS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual-covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Employer contribution rates are level percentages of payroll and are determined using the projected unit credit actuarial funding method. The employer rate for the State of Alaska for the year ended June 30, 1999, was 26.31 percent of compensation.

The Schedule of Funding Progress for pension benefits follows (in thousands):

Actuarial Valuation Year Ended June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of covered payroll
1994	40,238	49,771	9,533	80.9%	5,310	179.5%
1996	49,303	52,374	3,071	94.1%	5,289	58.1%
1998	60,794	57,780	(3,014)	105.2%	5,716	(52.7%)

Prior to July 1, 1997, postemployment healthcare benefits were provided by the payment of premiums to an insurance company. Beginning July 1, 1997, the Retiree Health Fund (RHF), an internal service fund of the State, was established. The RHF is self-funded and provides major medical coverage to retirees. Retirees of three other State plans also participate in the RHF. The retirement plans retain the risk of loss of allowable claims.

Postemployment healthcare benefits are provided without cost to retired JRS members. The Schedule of Funding Progress for postemployment healthcare benefits follows (in thousands):

Actuarial Valuation Year Ended June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of covered payroll
1994	1,817	2,247	430	80.9%	5,310	8.1%
1996	2,479	2,634	155	94.1%	5,289	2.9%
1998	3,896	3,703	(193)	105.2%	5,716	(3.4%)

The annual required contributions for pension and postemployment healthcare benefits for the fiscal years ended June 30, 1999, 1998, and 1997 were \$1,502,750, \$2,204,026, and \$2,056,204. The State contributed 100 percent for each of those years resulting in no net pension obligation (NPO).

THE ALASKA NATIONAL GUARD AND ALASKA NAVAL MILITIA RETIREMENT SYSTEM (NGNMRS)

NGNMRS is a defined benefit, single-employer retirement system established and administered by the State to provide pension benefits for eligible members of the Alaska National Guard and Alaska Naval Militia.

NGNMRS is considered a component unit of the State financial reporting entity. NGNMRS issues a separate stand-alone financial report that includes financial statements and required supplementary information, and the plan is also reported as a pension trust fund by the State. Copies of the audited financial statements may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

Benefit and contribution provisions are established by Chapter 5 of Alaska Statute Title 26 and may be amended only by the State legislature. NGNMRS provides for normal pension benefits and death benefits. Postemployment healthcare benefits are not provided.

No contributions are required from plan members. NGNMRS's funding policy provides for periodic contributions by Alaska Department of Military and Veterans' Affairs at actuarially determined amounts that are adequate to accumulate sufficient assets to pay benefits when due. State contributions are determined using the projected unit credit actuarial funding method.

The Schedule of Funding Progress for pension benefits follows (in thousands):

Actuarial Valuation Year Ended June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio
1994	\$2,414	\$14,031	\$11,617	17.2%
1996	9,948	12,512	2,564	79.5%
1998	12,671	14,252	(1,581)	88.9%

The annual required contributions for the fiscal years ended June 30, 1999, 1998, and 1997 were \$1,104,519, \$1,626,000, and \$1,626,000. The percentage contributed for those years was 100, 88, and 88 percent respectively.

THE UNLICENSED VESSEL PERSONNEL ANNUITY RETIREMENT FUND (UVPARF)

UVPARF is an employer-funded plan with defined benefits. The purpose of UVPARF is to provide retirement benefits to employees of the Alaska Marine Highway System on whose behalf the State made contributions to UVPARF for service during the period July 1, 1981, through October 1, 1983, and who retire under the terms of either the Northwest Marine Retirement Trust (NMRT) or the PERS.

As of June 30, 1999, UVPARF is fully funded and no State contributions were required in FY 99. The majority of UVPARF membership was merged into the Public Employees' Retirement System in FY 93. However, those not merged into PERS will remain in UVPARF.

THE ELECTED PUBLIC OFFICERS RETIREMENT SYSTEM (EPORS)

EPORS is a defined benefit retirement plan covering the Governor, the Lieutenant Governor, and all Legislators that participated in the System between January 1, 1976, and October 14, 1976. EPORS is funded by both employee contributions and an annual appropriation from the State general fund. Retirement benefits are based on the member's years of service and the current salary for the position from which they retired or an average of the three highest consecutive years' salaries. The pension benefit is equal to 5 percent for each year of service as governor, lieutenant governor, or a legislator, plus 2 percent for other covered service. The plan also provides death and disability benefits.

Plan members contribute 7 percent of their compensation to EPORS. Employee contributions earn interest at 4.5 percent per annum, compounded semiannually. The remaining amount required to pay EPORS benefits is funded by legislative appropriation. The FY 99 cost to the State for EPORS was \$1.1 million.

PLAN MEMBERSHIPS

Plan membership consisted of:

Plan Membership	PERS	TRS	JRS	NGNMRS	UVPARF	EPORS
As of	6/30/98	6/30/98	6/30/99	6/30/98	6/30/99	6/30/99
Retirees & beneficiaries receiving benefits & terminated members with future benefits	18,244	7,043	71	821	17	37
Current active employees:						
Vested	19,134	5,285	43	*	-	5
Nonvested	12,776	3,977	13	3,404	-	-
Total	<u>50,154</u>	<u>16,305</u>	<u>127</u>	<u>4,225</u>	<u>17</u>	<u>42</u>

* A breakdown of active employees between vested and nonvested was not available for NGNMRS.

ASSET VALUATION

See Note 2 for information on pension funds' deposits and investments risk categories. The table below discloses the fair value of each pension plan's cash and investments. All amounts are in thousands.

Systems	Fair Value
Public Employees' Retirement System	\$ 8,087,798
Teachers' Retirement System	4,183,396
Judicial Retirement System	68,219
Alaska National Guard and Alaska Naval Militia Retirement System	13,137

FUNDING STATUS AND PROGRESS

ACTUARIAL METHOD AND ASSUMPTIONS

All systems use the "projected unit credit" method. The unfunded accrued benefit liability or funding surplus is amortized over a rolling 25 years (NGNMRS is 20 years).

The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, each participant's total pension projected to retirement with salary scale is broken down into units, each associated with a year of past or future service. The principle underlying the method is that each unit is funded in the year for which it is credited. Typically, when the method is introduced there will be an initial liability for benefits credited for

service prior to that date, and to the extent that this liability is not covered by assets of the plan there is an unfunded liability to be funded over a chosen period in accordance with an amortization schedule.

The following main assumptions were used in the actuarial valuation.

System	Investment Return Compounded Annually	Salary Scale Increase	Health Cost Inflation	Consumer Price Index Inflation	Valuation Date
PERS	8.25%	5.5% first 5 years 4.5% thereafter	10.5% - 1998; 9.5% - 1999; 8.5% 2000	4%	6/30/98
TRS	8.25%	5.5% first 5 years 4.5% thereafter	6.5% - 1998 5.5 % thereafter	4%	6/30/98
JRS	8.25%	5.0% per year	FY 99 and thereafter, 5.5%	4%	6/30/98
NGNMRS	8.25%	-	-	-	6/30/98
UVPARF	8.0%	-	-	-	6/30/90
EPORS	9.0%	6.0% per year	9.0% per year	-	6/30/86

All assets are at fair value, with 20 percent of the investment gains or losses recognized in each of the current and preceding four years. Valuation assets cannot be outside a range of 80 percent to 120 percent of the fair value of assets.

RETIREMENT INCENTIVE PROGRAM

House Bill 354 was passed on June 18, 1996, and provides for a retirement incentive program (RIP) for members of school district employers and employees of Mt. Edgecumbe and the Alaska Vocational Technical Center. Senate Bill 1003 was passed on June 28, 1996, and provides for a RIP for employees of the State, the University of Alaska, and all employers other than school districts. The RIP encourages eligible employees to retire up to three years earlier than they had planned as a cost savings to the employer.

Employers who participate in either of the RIP programs are required to reimburse the retirement system for the actuarial equivalent of the difference between the benefits each employee receives after the addition of the retirement incentive under the program and the amount the employee would have received without the incentive, less any amount the employee was indebted as a result of retiring under the program. During fiscal year 1999, PERS recognized \$12.7 million of additions to plan net assets for contributions from employers for required reimbursements under RIP, and TRS recognized \$4.8 million.

When employees terminate employment to participate in RIP, PERS eligible employees are indebted for 20.25 percent of their annual compensation for the calendar year in which they terminate (22.5 percent for peace officers and firefighters) and TRS eligible employees are indebted for 25.95 percent. During fiscal year 1999, PERS recognized \$0.7 million of additions to plan net assets from employees and TRS recognized \$0.6 million.

Additional information is available in the PERS and TRS annual reports for the fiscal year ended June 30, 1999.

B. NON-STATE ADMINISTERED PLANS

THE MARINE ENGINEERS' BENEFICIAL ASSOCIATION (MEBA) PENSION PLAN

The MEBA plan is a defined benefit pension plan administered by MEBA for its members. Engineer Officers of the Alaska Marine Highway System participate in this program and the State contributes an amount (set by union contract) for each employee. The State assumes no liability for this pension plan or its participants other than the payment of required contributions. The State contributed \$470.2 thousand in FY 99.

NOTE 5 - DEFINED CONTRIBUTION PENSION PLANS

A. STATE ADMINISTERED PLANS

SUPPLEMENTAL BENEFITS SYSTEM

In addition to the above pension plans and the deferred compensation plan (Note 6), all State employees, as well as employees of political subdivisions which have elected to participate in the program, are covered under the Alaska Supplemental Benefits System (SBS). SBS is comprised of the Supplemental Annuity Plan and the Supplemental Benefits Plans. The Supplemental Annuity Plan is a defined contribution plan that was created under Alaska statutes effective January 1, 1980, to provide benefits in lieu of those provided by the Federal Social Security System (Social Security). All State employees, who would have participated in Social Security if the State

had not withdrawn, participate in SBS. Other employers whose employees participate in the State Public Employees' Retirement System and meet other requirements are eligible to have their employees participate in SBS as provided by Alaska Statute. The Division of Retirement and Benefits is responsible for administration and record keeping. The Alaska State Pension Investment Board is responsible for the specific investment of moneys in SBS.

As of January 31, 1999, there were fourteen other employers participating in SBS. There were 28,013 individual SBS accounts comprised of 23,023 State accounts, 4,753 political subdivision accounts, 55 beneficiary accounts, and 182 qualified domestic relations order (QDRO) accounts.

SBS is considered a component unit of the State financial reporting entity. SBS issues a separate stand-alone financial report that includes financial statements and required supplementary information, and SBS is also reported as a pension trust fund by the State. Copies of the audited financial statements may be obtained from the Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203.

Mandatory contributions may be made to the Supplemental Annuity Plan and voluntary contributions to the Supplemental Benefits Plan. Participating employees are vested at all times. Supplemental Annuity Plan contributions are made in lieu of contributions to Social Security. The State is required to contribute 12.26 percent of an employee's wages up to the taxable wage base in effect under Social Security regulations. Each employee is considered to have agreed to a wage reduction equal to one-half the contribution made on the employee's behalf. The State's mandatory contributions for the year ending January 31, 1999, were \$81.0 million. The State's covered payroll was approximately \$660 million.

Supplemental Benefit Plan contributions are voluntary based upon the optional benefits elected by each employee enrolled in SBS. Each employee agrees to a wage reduction based upon the benefit options selected. The benefit amounts are deducted from each employee's wages and remitted by the employer to SBS on the employee's behalf. State employee voluntary contributions for the year ending January 31, 1999, were approximately \$7.5 million.

Employees are eligible to withdraw from the Supplemental Annuity Plan ninety days after termination. Benefits are payable in the form of a lump sum annuity or one of various continuing annuities purchased from an insurance carrier. The SBS administrator issues lump-sum payments through its contracted record keeper.

Benefits available include supplemental health, death, disability, and survivor benefits. In addition, a dependent care reimbursement plan is available. Selection of these benefits is at the discretion of the employee, with certain restrictions, and may be amended and/or changed on an annual basis or by employee change in status. Prior to July 1, 1997, supplemental benefits, with the exception of dependent care reimbursement, were provided through insurance policies with various insurance carriers. Effective July 1, 1997, the State established a separate self-insurance fund to provide for health benefits. All other supplemental benefits, except dependent care reimbursement, continue to be provided through insurance policies. The State administers the dependent care reimbursement plan.

Supplemental annuity contributions were deposited with investment managers under contract with SBS for the year ended January 31, 1999. The amounts credited to each participant account include the increase or decrease in the unit value of the investment funds, in addition to participant contributions received during the year.

Effective February 1, 1996, the Supplemental Annuity Plan became participant directed. Under participant direction, each participant designates how his or her contribution is to be allocated among the investment options. Each participant's account is credited with the participant's contributions and the increase or decrease in unit value for the investment funds.

B. NON-STATE ADMINISTERED PLANS

THE NORTHWEST MARINE RETIREMENT TRUST (NMRT)

NMRT is an agent multiple-employer pension plan with defined contributions and is administered by the Pacific Northwest Marine Retirement Trust. The State assumes no liability for this pension plan or its participants other than the payment of required contributions. The State contributed \$294.8 thousand in FY 99.

NOTE 6 - DEFERRED COMPENSATION PLAN

The State of Alaska Deferred Compensation Plan (Plan) was created by Alaska statutes. It is a deferred compensation plan under Section 457 of the Internal Revenue Code and is available to all permanent employees

or elected officials of the State who have completed a full pay period of employment. Participants authorize the State to reduce their current salary so that they can receive the amount deferred at a later date. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency, within the definition allowed by the applicable Internal Revenue Code. As of December 31, 1998, the Plan had approximately 6,700 participants.

As a result of the passage of The Small Business Job Protection Act of 1996 (SBJPA - a Federal law change), all amounts deferred, including amounts deferred before the effective date of the new law, under an eligible 457 plan must be held in a trust for the exclusive benefit of employees and beneficiaries. This new law repealed the requirement that a section 457 plan sponsored by a government be solely the property of the employer, subject only to the claims of the employer's general creditors. The trust requirement generally applies to assets and income held by a plan on and after the date of enactment of the SBJPA. For any plan in existence on the date of enactment of the SBJPA, a trust need not be established before January 1, 1999.

As to the State of Alaska Deferred Compensation Plan, the Plan Document was amended effective January 1, 1997, to recognize and establish the Trust requirement for the Plan. The formal trust documents were completed by December 31, 1998.

The Division of Retirement and Benefits is responsible for Plan administration and recordkeeping. The Alaska State Pension Investment Board is responsible for the specific investment of moneys in the plan.

Participant accounts are self-directed with respect to investment options. Each participant designates how his or her contribution is to be allocated among the investment options. Each participant's account is credited with the participant's contributions and the increase or decrease in unit value for the investment funds.

The balance of deferred compensation as of December 31, 1998, was \$362.4 million. This balance has been reported in the accompanying financial statements as an expendable trust fund.

NOTE 7 - INTERFUND TRANSACTIONS

The following schedules summarize individual interfund and component unit receivable and payable balances at June 30, 1999, and fund transfers for the year then ended (in thousands):

Fund or Component Unit	RECEIVABLES			
	Interfund	Primary Government	Component Units	Total
Primary Government				
General Fund	\$ 71,600	\$ -	\$ 204,954	\$ 276,554
Special Revenue Fund				
Training & Building	26	-	-	26
Fish & Game	9	-	-	9
Enterprise Funds				
Commercial Assistance	6	-	-	6
Other Agencies	82	-	-	82
Internal Service Funds				
Highway Equipment Working Capital	4,095	-	-	4,095
Correctional Industries	322	-	-	322
Information Services	2,167	-	-	2,167
Retiree Health	145	-	-	145
Trust and Agency Funds:				
Expendable Trust	4,472,441	-	-	4,472,441
Nonexpendable Trust	22,161	-	-	22,161
Pension Trust	1,063	-	-	1,063
Agency Trust	1,861	-	-	1,861
Component Units:				
Municipal Bond Bank - Special Revenue	-	-	1,652	1,652
Municipal Bond Bank - Debt Service	-	-	1	1
Alaska Housing Finance Corporation	-	-	70,653	70,653
Alaska Student Loan Corporation	-	2,558	-	2,558
Alaska Science & Technology Foundation				
Nonexpendable Trust	-	130,814	-	130,814
Alaska Mental Health Trust Authority	-	305,942	-	305,942
University of Alaska	-	12,174	21,490	33,664
Other*	4,088	19	-	4,107
TOTAL	\$ 4,580,066	\$ 451,507	\$ 298,750	\$ 5,330,323

Fund or Component Unit	PAYABLES			
	Interfund	Primary Government	Component Units	Total
Primary Government				
General Fund	\$ 3,460,637	\$ -	\$ 3,017	\$ 3,463,654
Special Revenue Fund				
Disaster Relief	557	-	-	557
Training & Building	41	-	-	41
Fish & Game	2,019	-	-	2,019
State Reforestation	7	-	-	7
Clean Air Protection	215	-	-	215
Enterprise Funds				
Commercial Assistance	535	-	-	535
Energy Assistance	885	-	-	885
Other Agencies	16,442	-	-	16,442
Internal Service:				
Group Health and Life	2,200	-	-	2,200
Retiree Health	2,451	-	-	2,451
Trust and Agency Funds:				
Expendable Trust	44,539	-	-	44,539
Nonexpendable Trust	1,048,522	-	436,753	1,485,275
Pension Trust	7	-	-	7
Agency Trust	48	-	-	48
Component Units:				
Municipal Bond Bank - Special Revenue	-	915	1,653	2,568
Alaska Housing Finance Corporation	-	-	70,653	70,653
Alaska Energy Authority	-	193,752	-	193,752
Alaska Aerospace Development Corporation	-	18	-	18
Alaska Mental Health Trust Authority	-	466	-	466
University of Alaska	-	-	21,490	21,490
Other*	961	9,366	12,174	22,501
TOTAL	\$ 4,580,066	\$ 204,517	\$ 545,740	\$ 5,330,323

Fund or Component Unit	OPERATING TRANSFERS IN			
	Interfund	Primary Government	Component Units	Total
Primary Government				
General Fund	\$ 6,268	\$ -	\$ 16,915	\$ 23,183
Special Revenue Funds				
Disaster Relief	12,205	-	172	12,377
Fish & Game	858	-	-	858
Debt Service	8,833	-	-	8,833
Enterprise Funds				
Energy Assistance	1,029	-	-	1,029
Internal Service Funds				
Correctional Industries	1,050	-	-	1,050
Trust and Agency Funds:				
Expendable Trust	1,047,726	-	-	1,047,726
Component Units:				
Municipal Bond Bank - Special Revenue	-	-	2,963	2,963
Municipal Bond Bank - Debt Service	-	-	1	1
Alaska Aerospace Development Corporation	-	-	509	509
Alaska Mental Health Trust Authority -				
Nonexpendable Trust	-	24,474	-	24,474
Alaska Science & Technology Foundation -				
Endowment Fund - Nonexpendable Trust	-	10,656	-	10,656
Alaska Science & Technology Foundation -				
International Trade & Business Endowment				
- Nonexpendable Trust	-	517	-	517
University of Alaska	-	167,423	2,630	170,053
Other*	2,029	2,800	-	4,829
TOTAL	<u>\$ 1,079,998</u>	<u>\$ 205,870</u>	<u>\$ 23,190</u>	<u>\$ 1,309,058</u>
Fund or Component Unit	OPERATING TRANSFERS OUT			
	Interfund	Primary Government	Component Units	Total
Primary Government				
General Fund	\$ 26,760	\$ -	\$ 170,223	\$ 196,983
Enterprise Funds				
Commercial Assistance	464	-	-	464
Energy Assistance	262	-	-	262
Other Agencies	956	-	-	956
Trust and Agency Funds:				
Expendable Trust	487	-	-	487
Nonexpendable Trust	1,047,464	-	35,647	1,083,111
Component Units:				
Municipal Bond Bank - Special Revenue	-	915	2,964	3,879
Industrial Development & Export Authority -				
Revolving Fund	-	16,000	-	16,000
Alaska Science & Technology Foundation -				
Endowment Fund - Nonexpendable Trust	-	-	3,138	3,138
Other*	3,605	172	1	3,778
TOTAL	<u>\$ 1,079,998</u>	<u>\$ 17,087</u>	<u>\$ 211,973</u>	<u>\$ 1,309,058</u>

Fund or Component Unit	RESIDUAL EQUITY TRANSFERS IN			
	Interfund	Primary Government	Component Units	Total
Primary Government				
General Fund	\$ 641	\$ -	\$ 101,880	\$ 102,521
Debt Service	674	-	-	674
Enterprise Funds				
Other Agencies	3,828	-	-	3,828
Trust and Agency Funds:				
Expendable Trust	310	-	-	310
Nonexpendable Trust	155,526	-	-	155,526
Other*	336	5,242	9,392	14,970
TOTAL	\$ 161,315	\$ 5,242	\$ 111,272	\$ 277,829

Fund or Component Unit	RESIDUAL EQUITY TRANSFERS OUT			
	Interfund	Primary Government	Component Units	Total
Primary Government				
General Fund	\$ 159,690	\$ -	\$ -	\$ 159,690
Special Revenue Funds				
Training and Building	310	-	-	310
Capital Projects Funds				
Highways & Ferries Group	572	-	-	572
Flood & Harbor Group	102	-	-	102
Enterprise Funds				
Commercial Assistance	246	-	-	246
Energy Assistance	395	-	-	395
Component Units:				
Alaska Housing Finance Corporation	-	107,122	9,392	116,514
TOTAL	\$ 161,315	\$ 107,122	\$ 9,392	\$ 277,829

* The "Other" category is a combination (net) of various items that are not consistently reported in the three classifications identified above. This inconsistency results from: (1) a difference in the basis of accounting such as College and Universities are not on the same basis as the general fund and enterprise funds, enterprise funds are on the full accrual accounting basis while the governmental funds are on the modified accrual basis; (2) timing differences due to differing fiscal year ends; and (3) some inconsistent classifications as a result of the nature of the operation.

NOTE 8 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The following schedule presents financial segment information for State-run enterprise funds (stated in millions) for the fiscal year ended June 30, 1999.

The State of Alaska International Airport System (AIAS) was created to equip, finance, maintain, and operate the two international airports located at Anchorage and Fairbanks, Alaska. The airports are under the administration of the Alaska Department of Transportation and Public Facilities.

The Commercial Fishing Revolving Loan Fund (CFRLF) was established to promote the development and continued maintenance of commercial fishing gear and vessels by means of long-term, low interest loans.

The Fisheries Enhancement Revolving Loan Fund (FERLF) was created to promote the enhancement of the State's fisheries by means of long-term, low interest loans for salmon hatchery planning, construction, and operation.

The Power Project Fund (PPF) was created for the purpose of making loans for power projects.

	AIAS	CFRLF	FERLF	PPF	All Other State Funds	Total State Operated
Operating Revenues	\$ 52.1	\$ 6.3	\$ 5.0	\$ 0.3	\$ 7.2	\$ 70.9
Operating Expenses:						
Depreciation	17.4	-	-	-	-	17.4
All Other	40.9	3.6	5.9	0.7	6.5	57.6
Total Expenses	58.3	3.6	5.9	0.7	6.5	75.0
Operating Income (Loss)	(6.2)	2.7	(0.9)	(0.4)	0.7	(4.1)
Nonoperating Revenue	8.6	-	-	-	2.0	10.6
Nonoperating Expenses	(6.3)	-	-	-	(0.1)	(6.4)
Gain (Loss) on Disposal of Fixed Assets	-	-	-	-	0.8	0.8
Operating Transfer In (Out) - net	-	(0.1)	-	1.0	(1.5)	(0.6)
Net Income (Loss)	\$ (3.9)	\$ 2.6	\$ (0.9)	\$ 0.6	\$ 1.9	\$ 0.3
Net Working Capital	\$ 252.0	\$ 17.9	\$ 4.1	\$ 69.7	\$ 53.6	\$ 397.3
Notes & Loans Receivable	-	78.3	70.1	19.2	67.9	235.5
Reposessed Property	-	0.3	-	-	1.7	2.0
Property, Plant, & Equipment - net	315.9	-	-	-	2.9	318.8
Construction in Progress	28.3	-	-	-	-	28.3
Total Assets	621.6	101.8	90.0	89.2	134.4	1,037.0
Revenue Bonds Payable	206.1	-	-	-	-	206.1
Capital Lease	-	-	-	-	-	-
Fund Equity	390.1	101.4	90.0	88.9	132.8	803.2
Additions to Fixed Assets:						
Net Outlays (Abatements), Purchases, Bond Proceeds, or Appropriations	47.1	-	-	-	0.3	47.4
Deletions of Fixed Assets	0.2	-	-	-	1.2	1.4
Equity Transfers In (Out)	-	-	-	-	3.2	3.2

NOTE 9 - COMMITMENTS AND CONTINGENCIES

A. SICK LEAVE

The cost of sick leave for State employees is charged against agency appropriations when leave is used rather than when leave is earned. There is no recorded liability for sick leave in the financial records of the State. Accordingly, the statements in this report do not include an estimate of this obligation as either a liability or a reserve.

Accumulated sick leave may be used only for actual illness. When an employee separates from State service, any sick leave balance to their credit is reduced to zero without additional compensation to the employee.

The estimated amount of unused accumulated sick leave as of June 30, 1999, is \$71 million. This amount was calculated using the base pay on file for each employee as of June 30, 1999. It does not include an estimate of the cost of fringe benefits (supplemental benefits, retirement, group insurance, etc.) which can vary from 5 percent to 28 percent of gross pay depending on the status of the employee when leave is taken.

B. SCHOOL DEBT

Under a program enacted in 1970 (AS 14.11.100), the State may reimburse municipalities up to 80, 90, or 100 percent of debt service on bonds issued to finance school construction. The percentage depends on the year in which the costs are incurred. The 80 percent limitation, enacted in 1985, applies to fiscal years after June 30, 1983. The higher percentages apply to earlier years.

Although the statute provides that the State may reimburse school districts 80, 90, or 100 percent of construction costs, the actual funding for the program is dependent on annual legislative appropriations to the school construction account. When amounts in the account are insufficient, the available funds are allocated pro rata among the eligible school districts. There is no contractual commitment by the State to make these payments. The amount for FY 99 expended for school debt was \$61.9 million which was 100 percent of the entitlement. The total

debt requirement assuming the State makes full payment of its share of school debt service would be approximately \$543.1 million. The State has in the past and may in the future appropriate less than the full amount to which the municipalities are entitled under statute.

C. RISK MANAGEMENT AND SELF-INSURANCE

The State maintains a risk management program which is administered by the Department of Administration, Division of Risk Management. The Division of Risk Management's objective is to protect the financial assets and operations of the State of Alaska from accidental loss through a comprehensive self-insurance program for normal and expected property and casualty claims of high frequency and low severity, combined with high-limit, broad-form excess insurance protection for catastrophic loss exposures.

Risk Management acts as the insurance carrier for each State agency, funding all sudden and accidental property and casualty claims. The annual premiums allocated by Risk Management are the maximum each agency is called upon to pay. This planning for known and catastrophic losses forestalls the need for the affected agency to seek supplemental appropriation or disrupt vital State services after a major property loss, adverse civil jury award, or significant workers' compensation claim.

By effectively managing the State's property and liability exposures through a comprehensive self-insurance program, Risk Management expends fewer public funds than would be paid to private insurance companies at the same time providing streamlined claims services utilizing professional adjusting firms located throughout Alaska.

Property insurance with all-risk (including earthquake and flood) coverage is provided on a replacement cost basis for all State-owned or leased property; buildings (including contents, museum fine arts, etc.), aircraft, watercraft (Alaska Marine Highway System ferries and other agency vessels), large highway bridges, and hydroelectric power dams.

Casualty coverages protect each State agency and their personnel from third-party civil (tort) liability claims alleged to have arisen from combined liability - general (premises/operations), automobile, professional (errors and omissions), medical malpractice, aviation (aircraft and airport) or marine (crew and passenger injuries).

Additional specialty coverages - blanket public employee faithful performance and custom bonding, accidental death and disability (including medical expenses) for volunteers, computer fraud and foreign liability, etc. These insurance programs continually evolve, responding to new activities and special projects undertaken by each State agency. There has been no significant reduction in insurance coverage from previous years and the State has not incurred a loss in excess of its insurance program.

In FY 99, the State completely self-insured all statutory workers' compensation claims, the first \$5 million per occurrence for general (premises and operations) and professional liability, \$2 million per loss in automobile liability, \$1 million per claim for property and marine risks, and \$250,000 per incident for airport and aviation liability exposures. Limits of excess insurance vary by risk, reaching up to \$200 million per occurrence for marine and \$300 million for aviation. Additional information concerning specific areas of coverage are available from the Division of Risk Management on request. The policies extend to cover all State agencies.

Approximately 50 insurance companies and various Lloyd's of London underwriting syndicates participate in the State of Alaska's excess insurance program. Marketing is provided by independent brokers. The State obtains an annual independent actuarial assessment of the State insurance program as required by AS 37.05.287 (b).

An unconstrained audit of the State of Alaska's overall property and casualty insurance program performed by an independent risk management consultant found the retention levels and excess insurance coverage purchased are appropriate.

Risk Management's budget is funded entirely through interagency receipts annually billed each agency through a "Cost of Risk" premium allocation system. The Risk Management information system generates the annual cost of risk allocation to each agency, reflecting their proportionate share of the State's overall cost of risk. Designed to achieve equitable distribution of the self-insurance program costs, it factors exposure values subject to loss and considers the past five years actual claims experience incurred by each department.

For most cost of risk allocations, 80 percent of the premium billing is based on the average of the past five years actual claims experience. This provides a direct fiscal incentive to each agency to reduce or control their claim costs.

The program compiles a property inventory schedule of all owned or leased buildings used or occupied by State agencies, listing age and type of building construction, occupancy, fire protection services and sprinkler systems,

and projected replacement cost value. Individual premiums are then determined and, in cases of multiple occupancy, allocated to each department on the basis of their square foot use.

The "Cost of Risk" premium is collected through two methods from individual State agency operating budgets. Reimbursable Services Agreements (RSAs) are used for all categories of insurance other than Workers' Compensation and Combined Liability (general, auto, and professional) which are assessed on a rate per \$100 payroll applied monthly to each agency's actual payroll until the allocated premium is paid.

Total payments made for insurance premiums and self-insured claims for FY 99 amounted to \$27,131,169. This amount compares with FY 97 and FY 98 as follows:

FY 97	\$ 24,786,861
FY 98	\$ 26,279,765
FY 99	\$ 27,131,169

The actuarial estimate of total outstanding loss liability arising from self-insured claims made in prior years through June 30, 1999, is \$81,212,590. This amount has been reported as long-term debt obligations. This amount compares with the actuarial estimate for FY 97 and FY 98 as follows:

FY 97	\$ 100,594,071
FY 98	\$ 87,578,291
FY 99	\$ 81,212,590

D. LITIGATION

The State is involved in a number of legal actions. The Department of Law estimates the probable maximum liability for the cases associated with the governmental fund types to be approximately \$4.9 million, with an additional possible liability of \$37.3 million. The probable loss amount has been reported as long-term debt obligations.

E. FEDERAL GRANTS

The State has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, it is believed that any required reimbursements will not be material.

F. DISASTER RELIEF FUND

The State may be liable to reimburse communities for expenditures related to disasters in excess of the amount allocated by the State.

G. DISCRETELY PRESENTED COMPONENT UNITS

At June 30, 1999, the Alaska Industrial Development and Export Authority (AIDEA) held approximately \$111,283,000 of investments in trust for the construction of two intertie projects, and held approximately \$7,001,000 of investments in trust for others under various agreements. The moneys and related liability are not reflected in the accompanying financial statements. AIDEA also had extended commitments for loans of \$18,765,000 and loan guarantees of \$2,800,894.

The Alaska Railroad Corporation has entered into an agreement to purchase 16 locomotives for approximately \$32.2 million. The locomotives are scheduled to begin delivery in the last month of calendar year 1999.

NOTE 10 – SUBSEQUENT EVENTS

Chapter 58, SLA 99, made several changes to executive branch departments and offices. Some of the more significant changes were the Department of Community and Regional Affairs was eliminated and its duties and functions were transferred to other departments, several departments names were changed, and duties and functions of some departments were transferred to other departments.

NOTE 11 - YEAR 2000 ISSUE

The year 2000 (Y2K) issue is the result of potential shortcomings in electronic data processing systems and other electronic equipment that could adversely affect the State's operations before or after January 1, 2000.

Of its 199 mission-critical business functions determined to be crucial for providing essential State government services to Alaskans, the State of Alaska has identified 89 mission-critical business functions whose supporting automation systems and interfaces, embedded systems, and critical supply chain dependencies could potentially be affected by the Y2K issue.

Departments' inventories have been completed for all of the automation systems supporting these business functions, with assessment and planning similarly 100 percent completed. Remediation of mission-critical systems in departments was 97 percent completed as of November 1, 1999, with testing and validation 91 percent completed as of the same date. Testing and certification of all affected automation systems is required. Following remediation and testing, 93 percent of all critical systems were successfully reimplemented as of November 1, 1999.

A contractor engaged for assessing and remediating State buildings and facilities was scheduled to be finished with its compliance work by December 1, 1999. Additionally, the State of Alaska's Department of Military and Veterans Affairs' Division of Emergency Services has completed planning, assessment, remediation, and coordination regarding the State's Y2K emergency preparedness systems and potential disaster recovery requirements, including promulgation of a Y2K Annex (appendix) to the State's Emergency Operations Plan. All departments have prepared mandatory Y2K contingency plans, and are updating them continuously.

A Year 2000 Project Office established by the Governor is overseeing, assisting, and coordinating Y2K activities for the State of Alaska.

Because of the nature and scope of the Y2K issue, its potential effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the State of Alaska is or will be year 2000 ready, that the State's remediation efforts will be successful in whole or in part, or that parties with whom the State does business will be year 2000 ready.

Combining and Individual Fund Financial Statements





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General Fund

The general fund is the State's primary operating fund. All public monies and revenues coming into the State treasury not specifically authorized by statute to be placed in a special fund constitute the general fund. Unlike other funds held in the name of the State, the general fund has become a fundamental component of our fund structure without benefit of formal creation by the Constitution or the Alaska Statutes.

There are several accounts and funds that have been created by law which are considered a part of the general fund. These are treated as subfunds of the general fund and are accounted for as individual funds for accounting purposes but they are included in the general fund for annual financial reporting purposes. The following lists those funds and accounts.

Alaska Debt Retirement Fund - AS 37.15.011 - The fund consists of all money appropriated to it. The fund was established to help meet the general fund debt obligations of the State and its political subdivisions, to fund lease-purchases, and to finance capital projects with money remaining after debt obligations are paid.

Alaska Historical Commission Receipts Account - AS 41.35.380 - Administered by Department of Natural Resources. Consists of all monetary gifts, grants, bequests, royalties, and other income received by the Alaska Historical Commission and is used for commission projects.

Alaska Marine Highway System Fund - AS 19.65.060 - Administered by Department of Transportation and Public Facilities, Alaska Marine Highway System. The fund is to enable the system to manage and operate in a manner that will enhance performance and accountability by allowing the system to account for and spend its generated revenue.

Alaska Marine Highway System Vessel Replacement Fund - AS 37.05.550 - Managed by Department of Revenue. The fund consists of money appropriated to it by the Legislature. The legislature may appropriate money from the fund for refurbishment of existing State ferry vessels, acquisition of additional State ferry vessels, or replacement of retired or outmoded State ferry vessels.

Alaska Surplus Property Fund - AS 37.05.500(a)(2), AS 44.68.130 - Administered by Department of Administration. This fund is to account for revenues from the users or purchasers of excess federal property that the State has acquired and is used to pay the administrative expenses incurred in managing this property.

Art in Public Places Fund - AS 44.27.060 - Administered by Alaska State Council on the Arts. This fund consists of one percent of the construction cost of buildings exempt from AS 35.27. The money is used to commission or purchase art for public State-owned or leased buildings or facilities.

Assistive Technology Loan Guarantee Fund - AS 23.15.125 - Administered by Department of Education, Division of Vocational Rehabilitation (DVR). The fund consists of money appropriated to it. DVR may solicit and accept available public and private money for distribution from the fund. Money in the fund may be used to guarantee 90 percent of the principal amount of a loan or to subsidize the interest rate of a loan guaranteed by DVR for appropriate assistive technology.

Donated Commodity Fee Fund - USC 7 CFR, Part 250 - Administered by Department of Education. This fund consists of monies from federal agencies and recipients of goods. It is intended to cover the cost of the distribution of federal surplus food to schools, child care institutions, nonprofit camps for children, charitable institutions for minors, nutrition programs for the elderly, and assistance to needy persons.

Educational Facilities Maintenance and Construction Fund - AS 37.05.560 - Money in the fund may be appropriated to finance the design, construction, and maintenance of public school facilities; and for maintenance of the University of Alaska facilities.

Electrical Service Extension Fund - AS 42.45.200 - Administered by Department of Community and Regional Affairs. The fund consists only of money appropriated to it by the legislature. The fund is used to make grants to eligible electric utilities to pay for costs of site preparation and construction for the extension of electrical service and for making improvements to electric utilities.

Employment Assistance and Training Program Account -AS 23.15.625 - Administered by Department of Labor. The account consists of amounts collected under the provision of AS 23.15.630. The annual estimated balance in the account may be appropriated by the legislature to the department to implement AS 23.15.620 - 23.15.660. The legislature may appropriate the lapsing balance of the account to the unemployment compensation fund established in AS 23.20.130.

Exxon Valdez Oil Spill Unincorporated Rural Community Grant Fund - AS 44.47.051 - Administered by Department of Community and Regional Affairs. This fund was created to make grants to unincorporated rural communities in the area affected by the Exxon Valdez oil spill. The fund consists of money appropriated to the fund from the Exxon Valdez oil spill restoration fund, the Alyeska settlement fund, and other sources.

FHWA - Airspace Leases Fund - Section 156 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 requires that the State shall charge fair market value for the sale, use, or lease rentals of right-of-way airspace and that the federal share of these net incomes be used by the State for highway projects. This fund accounts for those revenues. The revenues are available for appropriation by the legislature for highway projects.

FICA Administration Fund - AS 39.30.050 - Administered by Department of Administration. Consists of amounts collected from participating political subdivisions, together with money appropriated by the State for covering the State's share of administrative costs.

Fishermen's Fund - AS 23.35.060 - Administered by Department of Labor. This fund is composed of 60 percent of the money derived by the State from all commercial fishermen's licenses and money appropriated by the legislature to pay for emergency treatment, transportation, medical care, and hospitalization of commercial fishermen.

Four Dam Pool Transfer Fund - AS 42.45.050 - Administered by Department of Community and Regional Affairs. The fund consists of repayments of principal and income that would have been deposited in the former power development revolving loan fund. Subject to appropriation, the balance of this fund is transferred monthly as follows: 40 percent to power Cost Equalization and Rural Electric Capitalization Fund and 40 percent to Southeast Energy Fund (subfunds of the general fund); and 20 percent to Power Project Fund (enterprise fund).

Fuel Emergency Fund - AS 26.23.400 - Administered by Office of the Governor. This fund is used when the governor determines that a shortage of fuel is sufficiently severe to justify State assistance to make grants to a city or borough, or to a village or unincorporated community to purchase emergency supplies of fuel.

Fund for the Improvement of School Performance - AS 14.03.125 - Administered by Department of Education. It is used to make grants to a district located in the State for the purpose of improving school performance.

Major Maintenance Grant Fund - AS 14.11.007 - Administered by Department of Education. The fund is used to make grants for the cost of school major maintenance.

Municipal Capital Project Matching Grant Fund - AS 37.06.010 - Administered by Department of Administration. The money in the fund is held by the department in custody for each municipality. Each fiscal year the department allocates individual grants for each municipality.

Oil and Hazardous Substance Release Prevention Mitigation Account - AS 46.08.020(b) - Administered by the Department of Environmental Conservation. This account consists of money received from other State sources, from federal or other sources, or from a private donor; money recovered or otherwise received from parties responsible for the containment and cleanup of oil or a hazardous substance; and fines, penalties, or damages recovered under AS 46.08.005-46.08.080. The legislature may appropriate the amount received in this account (during the preceding calendar year) to the prevention account in the Oil and Hazardous Substance Release Prevention and Response Fund.

Oil and Hazardous Substance Release Response Mitigation Account - AS 46.08.025(b) - Administered by the Department of Environmental Conservation. This account consists of money received from other State sources, from federal or other sources, or from a private donor; money recovered or otherwise received from parties responsible for the containment and cleanup of oil or a hazardous substance at a specific site for which the State expended money from the former oil and hazardous substance release response fund before October 2, 1994, or for which the State expended money from the response account. The legislature may appropriate the amount received in this account (during the preceding calendar year) to the response account in the Oil and Hazardous Substance Release Prevention and Response Fund.

Oil and Hazardous Substance Release Prevention and Response Fund - AS 46.08.010 - Administered by the Department of Environmental Conservation. This fund is composed of two accounts: (1) the prevention account and (2) the response account. The fund consists of appropriations by the legislature of money from private donors, money recovered from parties responsible for cleanup of oil or a hazardous substance, and fines, penalties, or damages recovered under chapter 46. This money is for the containment and cleanup of oil or a hazardous substance; monitoring, assessing, investigating, and evaluating the release or threatened release of oil or a hazardous substance; and recovery of the cost to the State of the containment and cleanup of oil or a hazardous substance.

Power Cost Equalization and Rural Electric Capitalization Fund - AS 42.45.100 - Administered by Department of Community and Regional Affairs. The fund is used for power cost equalization and rural electric projects.

Railbelt Energy Fund - AS 37.05.520 - Managed by Department of Revenue. The legislature may appropriate money from the fund for programs, projects, and other expenditures to assist in meeting Railbelt energy needs, including projects for retrofitting State-owned buildings and facilities for energy conservation.

Randolph-Sheppard Small Business Fund - AS 23.15.130; 20 USC 107-107(f) - Administered by Department of Education. This fund consists of receipts from vending facilities on federal properties and is used to aid only blind licensees in operating vending machine facilities.

Real Estate Surety Fund - AS 08.88.450 - Administered by Department of Commerce and Economic Development. This fund is composed of payments made by real estate licensees under AS 08.88.455 and filing fees under AS 08.88.460 and may be appropriated for real estate educational purposes as provided in AS 08.88.091. The real estate surety fund is established in the general fund to carry out the purposes of real estate licensees.

School Construction Grant Fund - AS 14.11.005 - Administered by Department of Education. The fund shall be used to make grants for the costs of school construction. Legislative appropriations for school construction shall be deposited in the fund and the proceeds from the sale of general obligation bonds for school construction may be deposited in the fund.

Second Injury Fund - AS 23.30.040 - Administered by Department of Labor. The second injury fund consists of all amounts collected under AS 23.30.040(b) and (c), and as civil penalties under AS 23.30.155(c). Money in the fund may only be paid for the benefit of those persons entitled to payment of benefits from the Second Injury Fund under AS 23.30

Southeast Energy Fund - AS 42.45.040 - Administered by Department of Community and Regional Affairs. The department may make grants from the Southeast Energy Fund to utilities participating in the power transmission intertie between the Swan Lake and Tyee Lake hydroelectric projects for power projects, for repayment of loans, and for payment on bonds.

State Insurance Catastrophe Reserve Account - AS 37.05.289 - Administered by Department of Administration. Assets of the account may be used to obtain insurance, to establish reserves for the self-insurance program, and to satisfy claims or judgements arising under the program.

Storage Tank Assistance Fund - AS 46.03.410 - Administered by Department of Environmental Conservation. The fund consists of money appropriated to it by the legislature. The receipts of the fund may be used for tank tightness tests, site assessments, grants, and loans.

Unincorporated Community Capital Project Matching Grant Fund - AS 37.06.020 - Administered by Department of Community and Regional Affairs. This fund was created for unincorporated communities to acquire or improve an asset with an anticipated life exceeding one year and includes land acquisition, construction, repair or structural improvement of a facility, engineering and design for a facility, and acquisition or repair of equipment.

Vocational Rehabilitation Small Business Enterprise Revolving Fund - AS 23.15.130 - Administered by Department of Education, Division of Vocational Rehabilitation. This fund consists of receipts from the net proceeds of vending facilities on public property. The annual estimated receipts of the fund may be used by the legislature to make appropriations to the department to aid licensees in operating vending machine facilities.

STATE OF ALASKA
BALANCE SHEET
GENERAL FUND
June 30, 1999
(Stated in Thousands)

STATEMENT 2.01

	June 30, 1999
ASSETS:	
CASH AND INVESTMENTS:	
Cash in Transit	\$ 1,131
Imprest Cash	232
Deposits with State Treasurer	489,219
TOTAL CASH AND INVESTMENTS	490,582
RECEIVABLES:	
Accounts Receivable	97,068
Due from Federal Government	200,982
Interest Receivable	710
Due from Other Funds	71,600
Due from Component Units	204,954
Loans and Notes Receivable	22,383
TOTAL RECEIVABLES	597,697
Inventories, at Cost	11,034
Other Assets	13,104
TOTAL ASSETS	\$ 1,112,417
LIABILITIES AND FUND BALANCE:	
LIABILITIES:	
Warrants Outstanding	\$ 53,650
Accounts Payable	141,300
Payroll and Taxes Withheld	51,453
Due to Federal Government	52,918
Due to Other Funds	3,460,637
Due to Component Units	3,017
Deferred Revenues	49,061
Other Liabilities	2,935
TOTAL LIABILITIES	3,814,971
FUND BALANCE:	
Reserved:	
Reserved for Encumbrances	148,581
Reserved for Nonliquid Assets	204,303
Reserved for Other	16,330
TOTAL RESERVED	369,214
Unreserved, Designated:	
Designated for Continuing Appropriations	152,287
Designated for Other	135,342
TOTAL UNRESERVED, DESIGNATED	287,629
Unreserved, Undesignated (See Note 1.M.)	(3,359,397)
TOTAL FUND BALANCE	(2,702,554)
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,112,417

STATE OF ALASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 2.02

	Totals Year Ended June 30, 1999
REVENUES:	
Taxes	\$ 761,586
Licenses and Permits	63,914
Charges for Services	91,401
Fines and Forfeitures	12,495
Rents and Royalties	
General Fund	356,288
Alaska Permanent Fund	155,827
Interest and Investment Income	45,839
Federal	1,029,328
Other	38,950
TOTAL REVENUES	2,555,628
EXPENDITURES:	
Current Operating	
General Government	194,529
Education	830,740
Health and Social Services	1,069,611
Law, Justice, and Public Protection	433,548
Natural Resources	129,491
Development	38,336
Transportation	155,715
Capital Outlay	477,749
Intergovernmental	95,448
TOTAL EXPENDITURES	3,425,167
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(869,539)
OTHER FINANCING SOURCES (USES):	
Operating Transfers (Out to) Other Funds	(26,760)
Operating Transfers (Out to) Component Units	(170,223)
Operating Transfers In from Other Funds	6,268
Operating Transfers In from Component Units	16,915
TOTAL OTHER FINANCING SOURCES (USES)	(173,800)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,043,339)
FUND BALANCE, BEGINNING OF YEAR	(1,603,128)
Residual Equity Fund Transfers (to) Other Funds	(159,690)
Residual Equity Fund Transfers from Other Funds	641
Residual Equity Fund Transfers from Component Units	101,880
Prior Period Adjustment	1,082
FUND BALANCE, END OF YEAR	\$ (2,702,554)



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Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The following are the State's special revenue funds.

Disaster Relief Fund - AS 26.23.300 - Administered by Office of the Governor and Department of Military and Veterans Affairs. This fund provides resources to alleviate the effects of disasters wherever and whenever they may occur in the State.

Training and Building Fund - AS 23.20.130(d) - Administered by Department of Labor. This fund consists of interest and penalties for failure to file timely reports and pay contributions to the Unemployment Compensation Fund. It may be used for the administration of the Employment Security Act when federal funds are not available; participation in programs of manpower training; and acquisition of land and buildings for the purpose of providing office space for the department.

School Fund - AS 43.50.140 - Administered by Department of Revenue and Department of Education. This fund receives the revenue from the payment of cigarette taxes, fees, and penalties. It can only be used to rehabilitate, construct, and repair the State's school facilities, and for costs of insurance on buildings comprising school facilities.

Fish and Game Fund - AS 16.05.100 - Administered by Department of Fish and Game. Money from this fund can only be used for the purpose of protection, propagation, investigation, and restoration of sport fish and game resources and the expenses of administering the sport fish and game divisions of Department of Fish and Game. Monies are received from the sale of State sport fishing and hunting licenses and special permits; sale of furs, skins, and specimens taken by predator hunters; money received in settlement of a claim or loss caused by damage to fish and game purposes; and donations.

State Land Reforestation Fund - AS 41.17.300 - Administered by Department of Natural Resources. This fund consists of money appropriated by the legislature to be used for the reforestation of State land.

National Petroleum Reserve Fund - AS 37.05.530 - Administered by Department of Community and Regional Affairs. This fund consists of all money disbursed to the State by the federal government under 42 U.S.C. 6508 since December 12, 1980, less the amount deposited in the general fund and expended by the State by general fund appropriations before June 9, 1984. The monies are spent by municipalities to alleviate the impact from oil and gas development within the National Petroleum Reserve.

Reclamation Bonding Pool Fund - AS 27.19.040 - Administered by Department of Natural Resources. A miner is required to have an approved reclamation plan and to file a performance bond before mining operations may commence. This fund is established as a statewide bonding pool as an alternative to individual performance bonds.

Clean Air Protection Fund - AS 46.14.260 and Federal Clean Air Act - Administered by Department of Environmental Conservation. The fund is established to collect and account for permit fees under the federal clean air act. Monies collected may only be used to cover reasonable costs required to support the permit program.

STATE OF ALASKA
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 3.01

	Disaster Relief	Training and Building	School	Fish and Game
ASSETS:				
Cash and Investments	\$ 17,935	\$ 375	\$ 12,384	\$ 14,864
Accounts Receivable	1,446			52
Due from Other Funds		26		9
Loans Receivable - Net	443			
Advances	1,258			
TOTAL ASSETS	\$ 21,082	\$ 401	\$ 12,384	\$ 14,925
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Warrants Outstanding	\$ 32	\$	\$ 82	\$ 15
Accounts Payable	132	1	654	37
Due to General Fund	557	41		2,019
Deferred Revenues	9,457			
Other Liabilities				
TOTAL LIABILITIES	10,178	42	736	2,071
FUND BALANCES:				
Reserved:				
Reserved for Encumbrances	1,456	1		3,159
Reserved for Loans and Advances	222			
TOTAL RESERVED	1,678	1	0	3,159
Unreserved, Designated	18,690			4,314
Unreserved, Undesignated	(9,464)	358	11,648	5,381
TOTAL FUND BALANCES	10,904	359	11,648	12,854
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,082	\$ 401	\$ 12,384	\$ 14,925
LEGAL REFERENCE: Alaska Statute	26.23.300	23.20.130	43.50.140	16.05.100

STATEMENT 3.01

State Land Reforestation	National Petroleum Reserve	Reclamation Bonding Pool	Clean Air Protection	Totals
				June 30, 1999
\$ 7	\$	\$ 828	\$ 384	\$ 46,777
				1,498
				35
				443
				1,258
<u>\$ 7</u>	<u>\$ 0</u>	<u>\$ 828</u>	<u>\$ 384</u>	<u>\$ 50,011</u>
\$	\$	\$ 3	\$	\$ 132
			8	832
7			215	2,839
				9,457
		300		300
7	0	303	223	13,560
				4,616
				222
0	0	0	0	4,838
			126	23,130
		525	35	8,483
0	0	525	161	36,451
<u>\$ 7</u>	<u>\$ 0</u>	<u>\$ 828</u>	<u>\$ 384</u>	<u>\$ 50,011</u>
41.17.300	37.05.530	27.19.040	46.14.260	

STATE OF ALASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 3.02

	Disaster Relief	Training and Building	School	Fish and Game
REVENUES:				
Taxes	\$	\$	\$ 32,867	\$
Licenses and Permits				21,275
Charges for Services				32
Fines and Forfeitures				112
Interest and Investment Income	3			929
Federal	10,638			
Other	33	579		
TOTAL REVENUES	10,674	579	32,867	22,348
EXPENDITURES:				
Current Operating				
General Government			131	2,494
Education			35,606	
Health and Social Services		337		
Law, Justice, and Public Protection	15,708			
Natural Resources				19,997
Capital Outlay				1,296
TOTAL EXPENDITURES	15,708	337	35,737	23,787
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,034)	242	(2,870)	(1,439)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In from Other Funds	12,205			858
Operating Transfers In from Component Units	172			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	7,343	242	(2,870)	(581)
FUND BALANCES, BEGINNING OF YEAR	3,561	444	14,518	13,435
Residual Equity Fund Transfers (to) Other Funds		(310)		
Prior Period Adjustment		(17)		
FUND BALANCES, END OF YEAR	\$ 10,904	\$ 359	\$ 11,648	\$ 12,854

STATEMENT 3.02

State Land Reforestation	National Petroleum Reserve	Reclamation Bonding Pool	Clean Air Protection	Totals Year Ended
				June 30, 1999
\$	\$	\$	\$	\$
			1,684	32,867
				22,959
				32
				112
				932
				10,638
		72		684
0	0	72	1,684	68,224
				2,625
				35,606
				337
				15,708
			1,992	21,989
23				1,319
23	0	0	1,992	77,584
(23)	0	72	(308)	(9,360)
				13,063
				172
(23)	0	72	(308)	3,875
23	0	453	469	32,903
				(310)
				(17)
\$ 0	\$ 0	\$ 525	\$ 161	\$ 36,451

STATE OF ALASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 3.03

	Disaster Relief		
	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES:			
Unrestricted			
Taxes	\$	\$	\$
Licenses and Permits			
Federal			
Charges for Services			
Fines and Forfeitures			
Interest and Investment Income		3	3
Other		33	33
TOTAL UNRESTRICTED	0	36	36
Restricted			
Federal	19,253	10,638	(8,615)
TOTAL RESTRICTED	19,253	10,638	(8,615)
TOTAL REVENUES	19,253	10,674	(8,579)
EXPENDITURES:			
Current Operating			
General Government			
Education			
Health and Social Services			
Law, Justice, and Public Protection	54,619	20,422	34,197
Natural Resources			
Capital Outlay	456		456
Intergovernmental			
TOTAL EXPENDITURES	55,075	20,422	34,653
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(35,822)	(9,748)	26,074
OTHER FINANCING SOURCES (USES):			
Operating Transfers In from Other Funds	12,205	12,205	0
Operating Transfers In from Component Units	172	172	0
Residual Equity Fund Transfers (to) Other Funds			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, BUDGETARY BASIS	\$ (23,445)	2,629	\$ 26,074
RECONCILIATION OF BUDGETARY / GAAP REPORTING:			
Adjust Expenditures for Encumbrances		4,714	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, GAAP BASIS		7,343	
FUND BALANCES, BEGINNING OF YEAR		3,561	
Prior Period Adjustment			
FUND BALANCES, END OF YEAR		\$ 10,904	

Training and Building			School		
Final Revised Budget	Actual	Variance - Favorable (Unfavorable)	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
\$	\$	\$	\$ 49,330	\$ 32,736	\$ (16,594)
573	579	6			
573	579	6	49,330	32,736	(16,594)
0	0	0	0	0	0
573	579	6	49,330	32,736	(16,594)
589	337	252	49,330	35,606	13,724
589	337	252			
589	337	252	49,330	35,606	13,724
(16)	242	258	0	(2,870)	(2,870)
(310)	(310)				
<u>\$ (16)</u>	(68)	<u>\$ (52)</u>	<u>\$ 0</u>	(2,870)	<u>\$ (2,870)</u>
(68)				(2,870)	
444				14,518	
(17)					
<u>\$ 359</u>			<u>\$ 11,648</u>		

STATE OF ALASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS (CONTINUED)
ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 3.03

	Fish and Game		
	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES:			
Unrestricted			
Taxes	\$	\$	\$
Licenses and Permits	20,270	21,275	1,005
Federal			
Charges for Services	35	32	(3)
Fines and Forfeitures	150	112	(38)
Interest and Investment Income	900	929	29
Other			
TOTAL UNRESTRICTED	21,355	22,348	993
Restricted			
Federal			
TOTAL RESTRICTED	0	0	0
TOTAL REVENUES	21,355	22,348	993
EXPENDITURES:			
Current Operating			
General Government	2,494	2,494	0
Education			
Health and Social Services			
Law, Justice, and Public Protection			
Natural Resources	22,187	20,947	1,240
Capital Outlay	7,820	3,505	4,315
Intergovernmental			
TOTAL EXPENDITURES	32,501	26,946	5,555
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,146)	(4,598)	6,548
OTHER FINANCING SOURCES (USES):			
Operating Transfers In from Other Funds	935	858	(77)
Operating Transfers In from Component Units			
Residual Equity Fund Transfers (to) Other Funds			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, BUDGETARY BASIS	\$ (10,211)	(3,740)	\$ 6,471
RECONCILIATION OF BUDGETARY / GAAP REPORTING:			
Adjust Expenditures for Encumbrances		3,159	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, GAAP BASIS		(581)	
FUND BALANCES, BEGINNING OF YEAR		13,435	
Prior Period Adjustment			
FUND BALANCES, END OF YEAR		\$ 12,854	

State Land Reforestation			National Petroleum Reserve		
Final Revised Budget	Actual	Variance - Favorable (Unfavorable)	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
\$	\$	\$	\$	\$	\$
			50		(50)
0	0	0	50	0	(50)
0	0	0	0	0	0
0	0	0	50	0	(50)
23	23	0	50		50
23	23	0	50	0	50
(23)	(23)	0	0	0	0
<u>\$ (23)</u>	(23)	<u>\$ 0</u>	<u>\$ 0</u>	0	<u>\$ 0</u>
	(23)			0	
	23			0	
<u>\$ 0</u>			<u>\$ 0</u>		

STATE OF ALASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS (CONTINUED)
ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 3.03

	Reclamation Bonding Pool		
	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES:			
Unrestricted			
Taxes	\$	\$	\$
Licenses and Permits			
Federal			
Charges for Services			
Fines and Forfeitures			
Interest and Investment Income			
Other		72	72
TOTAL UNRESTRICTED	0	72	72
Restricted			
Federal			
TOTAL RESTRICTED	0	0	0
TOTAL REVENUES	0	72	72
EXPENDITURES:			
Current Operating			
General Government			
Education			
Health and Social Services			
Law, Justice, and Public Protection			
Natural Resources			
Capital Outlay			
Intergovernmental			
TOTAL EXPENDITURES	0	0	0
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	0	72	72
OTHER FINANCING SOURCES (USES):			
Operating Transfers In from Other Funds			
Operating Transfers In from Component Units			
Residual Equity Fund Transfers (to) Other Funds			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, BUDGETARY BASIS	\$ 0	72	\$ 72
RECONCILIATION OF BUDGETARY / GAAP REPORTING:			
Adjust Expenditures for Encumbrances			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES, GAAP BASIS		72	
FUND BALANCES, BEGINNING OF YEAR		453	
Prior Period Adjustment			
FUND BALANCES, END OF YEAR		\$ 525	

Clean Air Protection			Totals		
Final Revised Budget	Actual	Variance - Favorable (Unfavorable)	Final Revised Budget	Actual	Variance - Favorable (Unfavorable)
\$ 2,140	\$ 1,684	\$ (456)	\$ 49,330	\$ 32,736	\$ (16,594)
			22,410	22,959	549
			50		(50)
			35	32	(3)
			150	112	(38)
			900	932	32
			573	684	111
2,140	1,684	(456)	73,448	57,455	(15,993)
			19,253	10,638	(8,615)
0	0	0	19,253	10,638	(8,615)
2,140	1,684	(456)	92,701	68,093	(24,608)
			2,494	2,494	0
			49,330	35,606	13,724
			589	337	252
			54,619	20,422	34,197
2,144	1,992	152	24,331	22,939	1,392
			8,299	3,528	4,771
			50		50
2,144	1,992	152	139,712	85,326	54,386
(4)	(308)	(304)	(47,011)	(17,233)	29,778
			13,140	13,063	(77)
			172	172	0
				(310)	(310)
\$ (4)	(308)	\$ (304)	\$ (33,699)	(4,308)	\$ 29,391
				7,873	
	(308)			3,565	
	469			32,903	
				(17)	
\$ 161			\$ 36,451		



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Debt Service Fund

The debt service fund accounts for the accumulation of resources for, and the payment of, principal, interest, and related costs of general obligation bonds.



STATE OF ALASKA
BALANCE SHEET
DEBT SERVICE FUND
June 30, 1999
(Stated in Thousands)

STATEMENT 4.01

	June 30, 1999
ASSETS:	
Cash and Investments	\$ 668
FUND BALANCE:	
Reserved for G O Bond Residual	\$ 668

STATE OF ALASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 4.02

	June 30, 1999
EXPENDITURES:	
Debt Service	\$ 8,839
OTHER FINANCING SOURCES (USES):	
Operating Transfers In from Other Funds	8,833
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(6)
FUND BALANCE, BEGINNING OF YEAR	0
Residual Equity Fund Transfers from Other Funds	674
FUND BALANCE, END OF YEAR	\$ 668



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Capital Projects Funds

Capital projects funds account for general obligation bond proceeds and other financial resources appropriated to the capital projects funds to be used for the acquisition, construction, or improvement of major capital facilities (other than those financed by the general fund, proprietary funds, and trust funds). The following are the State's capital projects funds.

Highways and Ferries Construction

- 1978 Transportation Facilities Construction Fund - Chapter 138, SLA 1978 - This fund consists of the proceeds from the sale of \$88,450,000 of bonds and is to be used for the purpose of paying the cost of highway, ferry, airport, local service roads, and trails construction.
- 1980 Transportation Construction Fund - Chapter 118, SLA 1980 - This fund consists of the proceeds from the sale of \$156,992,700 of bonds and is to be used for the purpose of paying the cost of highway, ferry, airport, port, harbor, local service roads, and trails construction.

Flood and Harbor Construction

- 1976 Water Supply and Sewerage Systems Construction Fund - Chapter 271, SLA 1976 - This fund consists of the proceeds from the sale of \$31,000,000 of bonds and is to be used for the purpose of paying the cost of water supply and sewerage systems construction.
- 1978 Water Supply and Sewerage Systems Fund - Chapter 145, SLA 1978 - This fund consists of the proceeds from the sale of \$27,640,000 of bonds and is to be used for the purpose of paying the cost of capital improvements for water supply and sewerage systems.
- 1980 Water Supply and Sewer Systems, Solid Waste Facilities, and Village Safe Water Construction Fund - Chapter 97, SLA 1980 - This fund consists of the proceeds from the sale of \$33,000,000 of bonds and is to be used for the purpose of paying the cost of capital improvements for water and sewer systems, solid waste facilities, and village safe water facilities.



STATE OF ALASKA
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS BY FUND GROUP
 June 30, 1999
 (Stated in Thousands)

STATEMENT 5.01

	Highways & Ferries Group	Flood & Harbor Group	Totals June 30, 1999
ASSETS:			
Cash and Investments	\$ 99	\$	\$ 99
Federal Grants Receivable	3		3
TOTAL ASSETS	<u>\$ 102</u>	<u>\$ 0</u>	<u>\$ 102</u>
FUND BALANCES:			
Unreserved, Designated	<u>\$ 102</u>	<u>\$ 0</u>	<u>\$ 102</u>

STATE OF ALASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS BY FUND GROUP
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 5.02

	Highways & Ferries Group	Flood & Harbor Group	Totals Year Ended June 30, 1999
REVENUES:			
Federal	\$ 2	\$	\$ 2
Other		8	8
EXPENDITURES:			
Capital Outlay	2		2
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	0	8	8
FUND BALANCES, BEGINNING OF YEAR	674	94	768
Residual Equity Fund Transfers (to) Other Funds	(572)	(102)	(674)
FUND BALANCES, END OF YEAR	\$ 102	\$ 0	\$ 102

STATE OF ALASKA
COMBINING BALANCE SHEET
HIGHWAYS AND FERRIES CONSTRUCTION FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 5.03

	1978 Transportation Facilities Construction	1980 Transportation Construction	Totals June 30, 1999
ASSETS:			
Cash and Investments	\$ 99	\$	\$ 99
Federal Grants Receivable	<u>1</u>	<u>2</u>	<u>3</u>
TOTAL ASSETS	<u>\$ 100</u>	<u>\$ 2</u>	<u>\$ 102</u>
FUND BALANCES:			
Unreserved, Designated	<u>\$ 100</u>	<u>\$ 2</u>	<u>\$ 102</u>
LEGAL REFERENCE:	Chapter 138 SLA 1978	Chapter 118 SLA 1980	

STATE OF ALASKA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 HIGHWAYS AND FERRIES CONSTRUCTION FUNDS
 For the Fiscal Year Ended June 30, 1999
 (Stated in Thousands)

STATEMENT 5.04

	1978 Transportation Facilities Construction	1980 Transportation Construction	Totals Year Ended June 30, 1999
REVENUES:			
Federal	\$	\$ 2	\$ 2
EXPENDITURES:			
Capital Outlay		2	2
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	0	0	0
FUND BALANCES, BEGINNING OF YEAR	167	507	674
Residual Equity Fund Transfers (to) Other Funds	(67)	(505)	(572)
FUND BALANCES, END OF YEAR	\$ 100	\$ 2	\$ 102

STATE OF ALASKA
COMBINING BALANCE SHEET
FLOOD AND HARBOR CONSTRUCTION FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 5.05

1978
Water Supply and
Sewerage Systems

ASSETS:

Cash and Investments	\$	0
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FUND BALANCES:

Unreserved, Designated	\$	0
------------------------	----	---

LEGAL REFERENCE:

Chapter 145
SLA 1978

STATE OF ALASKA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FLOOD AND HARBOR CONSTRUCTION FUNDS
 For the Fiscal Year Ended June 30, 1999
 (Stated in Thousands)

STATEMENT 5.06

	1978 Water Supply and Sewerage Systems
REVENUES:	
Other	\$ 8
FUND BALANCES,	
BEGINNING OF YEAR	94
Residual Equity Fund Transfers	
(to) Other Funds	(102)
FUND BALANCES, END OF YEAR	\$ 0



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Enterprise Funds

Enterprise funds account for business-like State activities that provide goods and/or services to the public and are financed primarily through user charges. The following are the State's enterprise funds.

Commercial Assistance Enterprise Funds

- Alaska World War II Veteran's Revolving Fund - AS 26.15.090 - Administered by Department of Commerce and Economic Development (DOCED). The fund was created for the purpose of making home, education, or personal loans to eligible veterans. However, no loans are currently being made from the fund.
- Small Business Revolving Loan Fund - AS 45.95.060 - Administered by DOCED. AS 45.95 authorizes the Commissioner of DOCED to make small business loans. Loans may be used to acquire, finance, or refinance or equip businesses, which includes mining, fishing, and farming equipment.
- Commercial Fishing Revolving Loan Fund - AS 16.10.340 - Administered by DOCED. The purpose of the fund is to promote the development and continued maintenance of commercial fishing gear and vessels by means of long-term, low interest loans.
- Child Care Facility Revolving Loan Fund - AS 44.33.240 - Administered by DOCED. The purpose of this fund is to make loans for the construction, renovation, and equipping of child care facilities in order to enable such facilities to comply with the requirements for certification by the Department of Education or for licensing by the Department of Health and Social Services.
- Historical District Revolving Loan Fund - AS 45.98.010 - Administered by DOCED. The purpose of this fund is to make loans for the restoration or rehabilitation of structures within the boundaries of an historical district. These structures are identified as important to State or national history and are suitable for superficial modification to conform to the period or motif of the surrounding area.
- Fisheries Enhancement Revolving Loan Fund - AS 16.10.505 - Administered by DOCED. The purpose of this fund is to promote the enhancement of the State's fisheries by means of long-term, low interest loans for salmon hatchery planning, construction, and operation.
- Mining Loan Fund - AS 27.09.010 - Administered by DOCED. This fund consists of money appropriated by the legislature for loans to underwrite advanced mineral exploration, development, or mining.

Energy Assistance Enterprise Funds

- Alternative Energy Revolving Loan Fund - AS 45.88.010 - Administered by DOCED. This fund consists of monies appropriated by the legislature for the purpose of developing energy production from sources other than fossil or nuclear fuel.
- Residential Energy Conservation Fund - AS 45.89.010 - Administered by DOCED. This fund consists of money appropriated by the legislature for refunds, grants, and loans to purchase, construct, or install energy conservation improvements.
- Power Project Fund - AS 42.45.010 - Administered by Department of Community and Regional Affairs (DOCRA). This fund consists of money appropriated by the legislature that may be used for planning, design, and construction of new power project facilities, expansion of existing small scale power production facilities, and expansion of potable water supplies. Power project facilities include energy production, storage, conservation, transmission, and distribution.
- Rural Electrification Revolving Loan Fund - AS 42.45.020 - Administered by DOCRA. This fund consists of appropriations made to the fund and repayments of principal and interest on loans. Subject to AS 42.45.060, the department may make loans to electric utilities for extending new electric service under a certificate of public convenience and necessity issued by the Alaska Public Utilities Commission.
- Bulk Fuel Revolving Loan Fund - AS 42.45.250 - Administered by DOCRA. The fund is established to assist communities in purchasing bulk fuel.

Other Agencies Enterprise Funds

- Alcoholism and Drug Abuse Revolving Loan Fund - AS 44.29.210 - Administered by Department of Health and Social Services. This fund is required under 42 U.S.C. 300x-4a to qualify the State to receive block grant money from the United States Department of Health and Human Services under 42 U.S.C. 300x – 2. Money in the fund may be used to make loans to private nonprofit organizations for the cost of establishing programs to help pay the living expenses of individuals recovering from alcohol or drug abuse who may reside in groups.
- Rural Development Initiative Fund - AS 44.47.810 - Administered by Department of Community and Regional Affairs. The purpose of the fund is to provide loans of up to \$100,000 to communities with a population of 5,000 or less. The loans may be used for working capital, equipment, construction, or other commercial purposes.
- International Airports Fund - AS 37.15.410-550 - Administered by the Department of Transportation and Public Facilities. This fund consists of all revenues, fees, charges, and rentals derived by the State from the ownership, lease, use, and operation of the airports. The fund also contains the proceeds from bonds issued to finance the Anchorage International Airport terminal expansion project. The bond proceeds and the authorized expenditures for the project are contained in a capital project fund of the International Airports Fund.
- Agricultural Revolving Loan Fund - AS 03.10.040 - Administered by the Department of Natural Resources. The Alaska Agricultural Loan Act is a declaration of policy to promote the development of agriculture as an industry throughout the State by means of long-term low interest loans. The Agricultural Revolving Loan Fund was created to fulfill this purpose.
- Alaska Clean Water Fund - AS 46.03.032 - Administered by Department of Environmental Conservation. This fund consists of money appropriated by the legislature to meet federal matching requirements for public water and sewage treatment facilities.
- Alaska Drinking Water Fund - AS 46.03.036 - Administered by Department of Environmental Conservation. The fund consists of federal capitalization grant. The capitalization grant is divided between two purposes: part of each capitalization grant is to be deposited into the DWF for providing loans for drinking water infrastructure projects; the other part is to be used for set-side or nonproject activities. Set aside funds must be maintained in a separate account from the project fund.

STATE OF ALASKA
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS BY FUND GROUP
June 30, 1999
(Stated in Thousands)

STATEMENT 6.01

	Commercial Assistance	Energy Assistance	Other Agencies	Totals June 30, 1999
ASSETS:				
Cash and Investments	\$ 17,054	\$ 72,622	\$ 309,900	\$ 399,576
Accounts Receivable - Net	340		8,448	8,788
Federal Grants Receivable			7,892	7,892
Interest Receivable	27,773	132	1,389	29,294
Due from Other Funds	6		82	88
Loans Receivable - Net	149,234	23,410	62,041	234,685
Notes Receivable			312	312
Judgements	477		7	484
Repossessed Property	375		1,659	2,034
Land			25,146	25,146
Fixed Assets (Net of Accumulated Depreciation)			293,710	293,710
Construction in Progress			28,308	28,308
Investments in Partnership or Corporations			6,645	6,645
TOTAL ASSETS	\$ 195,259	\$ 96,164	\$ 745,539	\$ 1,036,962
LIABILITIES AND FUND EQUITY:				
LIABILITIES:				
Warrants Outstanding	\$ 262	\$ 95	\$ 1	\$ 358
Accounts Payable	73	102	1,286	1,461
Due to Other Funds	535	885	16,442	17,862
Interest Payable			4,534	4,534
Deferred Revenues			3,299	3,299
Revenue Bonds Payable			206,178	206,178
Undistributed Receipts	161	1		162
Other Liabilities			32	32
TOTAL LIABILITIES	1,031	1,083	231,772	233,886
FUND EQUITY:				
Contributed Capital	113,011	83,517	263,594	460,122
Retained Earnings:				
Reserved	1,550	300	3,626	5,476
Unreserved	79,667	11,264	246,547	337,478
TOTAL RETAINED EARNINGS	81,217	11,564	250,173	342,954
TOTAL FUND EQUITY	194,228	95,081	513,767	803,076
TOTAL LIABILITIES AND FUND EQUITY	\$ 195,259	\$ 96,164	\$ 745,539	\$ 1,036,962

STATE OF ALASKA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS BY FUND GROUP
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 6.02

	Commercial Assistance	Energy Assistance	Other Agencies	Totals Year Ended June 30, 1999
OPERATING REVENUES:				
Charges for Services	\$ 316	\$ 10	\$ 52,008	\$ 52,334
Fines and Forfeitures	91	2		93
Interest Income	11,273	483	2,186	13,942
Other	32		4,534	4,566
TOTAL OPERATING REVENUES	11,712	495	58,728	70,935
OPERATING EXPENSES:				
Operating	3,134	872	47,303	51,309
Provision for Loan Losses and Forgiveness	6,344	(142)	4	6,206
Write-Down and Net (Income) Expense of Real Estate Owned	108	2		110
Depreciation			17,411	17,411
TOTAL OPERATING EXPENSES	9,586	732	64,718	75,036
OPERATING INCOME (LOSS)	2,126	(237)	(5,990)	(4,101)
NONOPERATING REVENUES (EXPENSES):				
Revenues			10,631	10,631
Expenses			(6,481)	(6,481)
Gain (Loss) on Disposal of Fixed Assets			820	820
TOTAL NONOPERATING REVENUES (EXPENSES)	0	0	4,970	4,970
INCOME (LOSS) BEFORE OPERATING TRANSFERS	2,126	(237)	(1,020)	869
OPERATING TRANSFERS:				
Operating Transfers (Out to) Other Funds	(464)	(262)	(956)	(1,682)
Operating Transfers In From Other Funds		1,029		1,029
NET INCOME (LOSS)	1,662	530	(1,976)	216
Depreciation on Fixed Assets Acquired by Grants or Contributions			5,770	5,770
INCREASE (DECREASE) IN RETAINED EARNINGS	1,662	530	3,794	5,986
RETAINED EARNINGS, BEGINNING OF YEAR	79,555	11,034	246,379	336,968
RETAINED EARNINGS, END OF YEAR	\$ 81,217	\$ 11,564	\$ 250,173	\$ 342,954



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STATE OF ALASKA
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS BY FUND GROUP
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 6.03

	Commercial Assistance	Energy Assistance	Other Agencies	Totals Year Ended June 30, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 2,126	\$ (237)	\$ (5,990)	\$ (4,101)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Amortization			17,411	17,411
Provision for Loan Losses and Forgiveness	6,344	(142)	4	6,206
Principal Collections on Loans and Notes	9,744	3,055	4,319	17,118
Loans Originated	(6,426)	(2,772)	(19,327)	(28,525)
Write-Down and Net (Gain) Loss				
of Owned Property	108	2	(10)	100
Nonoperating Activity			(147)	(147)
(Increase) Decrease in Assets:				
Accounts Receivable - Net	(84)		(1,795)	(1,879)
Federal Grants Receivable			12	12
Interest Receivable	(4,538)	335	(187)	(4,390)
Due from Other Funds	(6)	20	(45)	(31)
Judgements	(400)	3		(397)
Reposessed Property	(557)		1,203	646
Increase (Decrease) in Liabilities:				
Warrants Outstanding	(111)	(5)	(220)	(336)
Accounts Payable	42	102	359	503
Due to Other Funds	(29)	74	7,002	7,047
Deferred Revenues			(83)	(83)
Undistributed Receipts	(460)			(460)
Other Liabilities			(49)	(49)
NET CASH PROVIDED BY (USED FOR)				
OPERATING ACTIVITIES	5,753	435	2,457	8,645
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:				
Advances and Contributions			13,363	13,363
Residual Equity Fund Transfers (to) Other Funds	(1,007)	(3,792)		(4,799)
Residual Equity Fund Transfers from Other Funds			3,828	3,828
Operating Transfers (Out to) Other Funds	(614)	(47)	(956)	(1,617)
Operating Transfers In From Other Funds		1,029		1,029
NET CASH PROVIDED BY (USED FOR)				
NONCAPITAL FINANCING ACTIVITIES	(1,621)	(2,810)	16,235	11,804

This statement continued on next page.

STATE OF ALASKA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
ALL ENTERPRISE FUNDS BY FUND GROUP
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 6.03

	Commercial Assistance	Energy Assistance	Other Agencies	Totals Year Ended June 30, 1999
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital Contributions and Advances	\$	\$	\$ 17,124	\$ 17,124
Proceeds from Issuance of Long-Term Debt			198,765	198,765
Payments on Long-Term Debt			(25,984)	(25,984)
Interest and Fees Paid on Borrowings			(2,320)	(2,320)
Acquisition and Construction of Fixed Assets and Deferred Costs			(47,438)	(47,438)
Proceeds from Sale of Fixed Assets			388	388
Payments on Capital Lease Obligations			(211)	(211)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	0	0	140,324	140,324
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from Sales/Maturities of Investments			1,069,187	1,069,187
Purchase of Investments			(1,048,588)	(1,048,588)
Income Received on Investments			11,594	11,594
Change in Restricted Cash and Investments			(175,624)	(175,624)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	0	0	(143,431)	(143,431)
NET INCREASE (DECREASE) IN CASH	4,132	(2,375)	15,585	17,342
CASH, BEGINNING OF YEAR	12,922	74,997	43,973	131,892
CASH, END OF YEAR	\$ 17,054	\$ 72,622	\$ 59,558	\$ 149,234
RECONCILIATION OF CASH TO THE BALANCE SHEET:				
Total Cash and Investments per the Balance Sheet	\$ 17,054	\$ 72,622	\$ 309,900	\$ 399,576
Less: Investments not meeting the definition of cash or cash equivalents			(69,443)	(69,443)
Restricted Cash and Investments			(180,899)	(180,899)
CASH, END OF YEAR	\$ 17,054	\$ 72,622	\$ 59,558	\$ 149,234
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Residual Equity Fund Transfer (to) Other Funds	\$ (246)	\$ (395)	\$	\$ (641)
Operating Transfers (Out to) Other Funds	(289)	(262)		(551)
Net Income (Loss) on Investment			238	238

STATE OF ALASKA
COMBINING BALANCE SHEET
COMMERCIAL ASSISTANCE ENTERPRISE FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 6.04

	World War II Veterans' Revolving Loan	Small Business Revolving Loan	Commerical Fishing Revolving Loan	Child Care Facilities Loan
ASSETS:				
Cash and Investments	\$ 355	\$ 411	\$ 14,048	\$ 217
Accounts Receivable - Net	235		105	
Interest Receivable	4	1	4,066	1
Deferred Interest Receivable			4,894	
Due from Other Funds			6	
Loans Receivable - Net	202	301	77,825	113
Judgements			477	
Reposessed Property			370	
TOTAL ASSETS	\$ 796	\$ 713	\$ 101,791	\$ 331

LIABILITIES AND FUND EQUITY:

LIABILITIES:				
Warrants Outstanding	\$ 41	\$	\$ 221	\$
Accounts Payable	73			
Due to Other Funds	64	161		117
Undistributed Receipts	25		130	6
TOTAL LIABILITIES	203	161	351	123

FUND EQUITY:

Contributed Capital, Unrestricted			23,196	7
Retained Earnings:				
Reserved	150	250	500	100
Unreserved	443	302	77,744	101
TOTAL RETAINED EARNINGS	593	552	78,244	201
TOTAL FUND EQUITY	593	552	101,440	208
TOTAL LIABILITIES AND FUND EQUITY	\$ 796	\$ 713	\$ 101,791	\$ 331

STATEMENT 6.04

Historical Districts Revolving Loan	Fisheries Enhancement Revolving Loan	Mining Revolving Loan	Totals June 30, 1999
\$ 163	\$ 1,481	\$ 379	\$ 17,054
2	2,637	406	340
	15,762		7,117
			20,656
459	70,150	184	6
			149,234
		5	477
			375
\$ 624	\$ 90,030	\$ 974	\$ 195,259
\$	\$	\$	\$ 262
63	1	129	73
			535
			161
63	1	129	1,031
	83,310	6,498	113,011
100	200	250	1,550
461	6,519	(5,903)	79,667
561	6,719	(5,653)	81,217
561	90,029	845	194,228
\$ 624	\$ 90,030	\$ 974	\$ 195,259

STATE OF ALASKA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
COMMERCIAL ASSISTANCE ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 6.05

	World War II Veterans' Revolving Loan	Small Business Revolving Loan	Commerical Fishing Revolving Loan	Child Care Facilities Loan
OPERATING REVENUES:				
Charges for Services	\$ 53	\$	\$ 236	\$
Fines and Forfeitures	9	1	80	1
Interest Income	24	31	5,968	17
Other			32	
TOTAL OPERATING REVENUES	86	32	6,316	18
OPERATING EXPENSES:				
Operating	122	4	2,639	6
Provision for Loan Losses and Forgiveness	(1)	(71)	880	(41)
Write-down and Net (Income) Expense of Real Estate Owned			108	
TOTAL OPERATING EXPENSES	121	(67)	3,627	(35)
OPERATING INCOME (LOSS) BEFORE OPERATING TRANSFERS	(35)	99	2,689	53
OPERATING TRANSFERS:				
Operating Transfers (Out to) Other Funds	(65)	(161)	(175)	
NET INCOME (LOSS)	(100)	(62)	2,514	53
RETAINED EARNINGS, BEGINNING OF YEAR	693	614	75,730	148
RETAINED EARNINGS, END OF YEAR	<u>\$ 593</u>	<u>\$ 552</u>	<u>\$ 78,244</u>	<u>\$ 201</u>

STATEMENT 6.05

Historical Districts Revolving Loan	Fisheries Enhancement Revolving Loan	Mining Revolving Loan	Totals Year Ended June 30, 1999
\$	\$ 27	\$	\$ 316
37	5,054	142	11,273
			32
37	5,081	142	11,712
2	356	5	3,134
(1)	5,586	(8)	6,344
			108
1	5,942	(3)	9,586
36	(861)	145	2,126
(63)			(464)
(27)	(861)	145	1,662
588	7,580	(5,798)	79,555
\$ 561	\$ 6,719	\$ (5,653)	\$ 81,217

STATE OF ALASKA
COMBINING STATEMENT OF CASH FLOWS
COMMERCIAL ASSISTANCE ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 6.06

	World War II Veterans' Revolving Loan	Small Business Revolving Loan	Commerical Fishing Revolving Loan	Child Care Facilities Loan
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (35)	\$ 99	\$ 2,689	\$ 53
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Provision for Loan Losses and Forgiveness	(1)	(71)	880	(41)
Principal Collections on Loans	11	117	7,673	99
Loans Originated			(4,908)	
Write-Down and Net (Gain) Loss of Owned Property			108	
(Increase) Decrease in Assets:				
Accounts Receivable - Net	21		(105)	
Interest Receivable	(4)		711	
Deferred Interest Receivable			(539)	
Due from Other Funds			(6)	
Judgements			(400)	
Repossessed Property			(606)	
Increase (Decrease) in Liabilities:				
Warrants Outstanding	2		(73)	
Accounts Payable	42			
Due to Other Funds	(18)	15	(10)	
Undistributed Receipts	(60)		(25)	6
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(42)	160	5,389	117
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Residual Equity Fund Transfers (to) Other Funds				(115)
Operating Transfers (Out to) Other Funds	(18)	(360)	(175)	
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	(18)	(360)	(175)	(115)
NET INCREASE (DECREASE) IN CASH	(60)	(200)	5,214	2
CASH, BEGINNING OF YEAR	415	611	8,834	215
CASH, END OF YEAR	\$ 355	\$ 411	\$ 14,048	\$ 217

RECONCILIATION OF CASH TO THE BALANCE SHEET:

Total Cash and Investments per the Balance Sheet	\$ 355	\$ 411	\$ 14,048	\$ 217
Less: Investments not meeting the definition of cash and cash equivalents				
CASH, END OF YEAR	\$ 355	\$ 411	\$ 14,048	\$ 217

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Residual Equity Fund Transfers (to) Other Funds	\$	\$	\$	\$ (117)
Operating Transfers (Out to) Other Funds	(65)	(161)		

STATEMENT 6.06

Historical Districts Revolving Loan	Fisheries Enhancement Revolving Loan	Mining Revolving Loan	Totals Year Ended June 30, 1999
\$ 36	\$ (861)	\$ 145	\$ 2,126
(1)	5,586	(8)	6,344
28	1,792	24	9,744
	(1,518)		(6,426)
			108
			(84)
	118	(81)	744
	(4,743)		(5,282)
			(6)
			(400)
		49	(557)
	(40)		(111)
			42
	(16)		(29)
(1)	(380)		(460)
62	(62)	129	5,753
(61)		(892)	(1,007)
			(614)
(61)	0	(892)	(1,621)
1	(62)	(763)	4,132
162	1,543	1,142	12,922
\$ 163	\$ 1,481	\$ 379	\$ 17,054
\$ 163	\$ 1,481	\$ 379	\$ 17,054
			0
\$ 163	\$ 1,481	\$ 379	\$ 17,054
\$	\$	\$ (129)	\$ (246)
(63)			(289)

STATE OF ALASKA
COMBINING BALANCE SHEET
ENERGY ASSISTANCE ENTERPRISE FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 6.07

	Alternative Technology and Power Resources Revolving Loan	Residential Energy Conservation
ASSETS:		
Cash and Investments	\$ 561	\$ 47
Interest Receivable	4	
Loans Receivable - Net	616	
TOTAL ASSETS	\$ 1,181	\$ 47
LIABILITIES AND FUND EQUITY:		
LIABILITIES:		
Warrants Outstanding	\$	\$
Accounts Payable		
Due to Other Funds	261	47
Undistributed Receipts	1	
TOTAL LIABILITIES	262	47
FUND EQUITY:		
Contributed Capital		
Retained Earnings:		
Reserved	300	
Unreserved	619	
TOTAL RETAINED EARNINGS	919	0
TOTAL FUND EQUITY	919	0
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,181	\$ 47

Power Project	Rural Electrification Revolving Loan	Bulk Fuel Revolving Loan	Totals
			June 30, 1999
\$ 69,966	\$ 351	\$ 1,697	\$ 72,622
91	34	3	132
19,168	3,023	603	23,410
<u>\$ 89,225</u>	<u>\$ 3,408</u>	<u>\$ 2,303</u>	<u>\$ 96,164</u>
\$ 13	\$	\$ 82	\$ 95
102			102
215	351	11	885
			1
330	351	93	1,083
78,790	2,540	2,187	83,517
			300
10,105	517	23	11,264
10,105	517	23	11,564
88,895	3,057	2,210	95,081
<u>\$ 89,225</u>	<u>\$ 3,408</u>	<u>\$ 2,303</u>	<u>\$ 96,164</u>

STATE OF ALASKA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ENERGY ASSISTANCE ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 6.08

	Alternative Technology and Power Resources Revolving Loan	Residential Energy Conservation
OPERATING REVENUES:		
Charges for Services	\$	\$
Fines and Forfeitures	2	
Interest Income	72	4
	<u>74</u>	<u>4</u>
TOTAL OPERATING REVENUES	<u>74</u>	<u>4</u>
OPERATING EXPENSES:		
Operating	149	
Provision for Loan Losses and Forgiveness	(142)	
Write-Down and Net (Income) Expense of Real Estate Owned	1	1
	<u>8</u>	<u>1</u>
TOTAL OPERATING EXPENSES	<u>8</u>	<u>1</u>
OPERATING INCOME (LOSS) BEFORE OPERATING TRANSFERS	66	3
OPERATING TRANSFERS:		
Operating Transfers (Out to) Other Funds	(215)	(47)
Operating Transfers In From Other Funds		
	<u>(215)</u>	<u>(47)</u>
NET INCOME (LOSS)	(149)	(44)
RETAINED EARNINGS, BEGINNING OF YEAR	1,068	44
RETAINED EARNINGS, END OF YEAR	<u>\$ 919</u>	<u>\$ 0</u>

Power Project	Rural Electrification Revolving Loan	Bulk Fuel Revolving Loan	Totals
			Year Ended
			June 30, 1999
\$	\$	\$ 10	\$ 10
306	60	41	2
			483
306	60	51	495
680		43	872
			(142)
			2
680	0	43	732
(374)	60	8	(237)
			(262)
1,029			1,029
655	60	8	530
9,450	457	15	11,034
\$ 10,105	\$ 517	\$ 23	\$ 11,564

STATE OF ALASKA
COMBINING STATEMENT OF CASH FLOWS
ENERGY ASSISTANCE ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 6.09

	Alternative Technology and Power Resources Revolving Loan	Residential Energy Conservation
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 66	\$ 3
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Provision for Loan Losses and Forgiveness	(142)	
Principal Collections on Loans	332	43
Loans Originated		
Write-Down and Net (Gain) Loss of Owned Property	1	1
(Increase) Decrease in Assets:		
Interest Receivable	(2)	
Due from Other Funds		
Judgements	3	
Increase (Decrease) in Liabilities:		
Warrants Outstanding		
Accounts Payable		
Due to Other Funds	(3)	
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	255	47
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Residual Equity Fund Transfers (to) Other Funds	(398)	
Operating Transfers (Out to) Other Funds		(47)
Operating Transfers In From Other Funds		
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	(398)	(47)
NET INCREASE (DECREASE) IN CASH	(143)	0
CASH, BEGINNING OF YEAR	704	47
CASH, END OF YEAR	\$ 561	\$ 47
RECONCILIATION OF CASH TO THE BALANCE SHEET:		
Total Cash and Investments per the Balance Sheet	\$ 561	\$ 47
Less: Investments not meeting the definition of cash or cash equivalents		
CASH, END OF YEAR	\$ 561	\$ 47
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Residual Equity Fund Transfers (to) Other Funds	\$ (44)	\$
Operating Transfers (Out to) Other Funds	(215)	(47)

STATEMENT 6.09

Power Project	Rural Electrification Revolving Loan	Bulk Fuel Revolving Loan	Totals Year Ended June 30, 1999
\$ (374)	\$ 60	\$ 8	\$ (237)
			(142)
438	292	1,950	3,055
(1,151)		(1,621)	(2,772)
			2
337	(1)	1	335
		20	20
			3
13		(18)	(5)
102			102
66		11	74
(569)	351	351	435
(3,000)	(394)		(3,792)
			(47)
1,029			1,029
(1,971)	(394)	0	(2,810)
(2,540)	(43)	351	(2,375)
72,506	394	1,346	74,997
\$ 69,966	\$ 351	\$ 1,697	\$ 72,622
\$ 69,966	\$ 351	\$ 1,697	\$ 72,622
			0
\$ 69,966	\$ 351	\$ 1,697	\$ 72,622
\$	\$ (351)	\$	\$ (395)
			(262)

STATE OF ALASKA
COMBINING BALANCE SHEET
OTHER AGENCIES ENTERPRISE FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 6.10

	Department of Health and Social Services	Department of Community and Regional Affairs	Department of Transportation and Public Facilities
	Alcoholism and Drug Abuse	Rural Development	International Airports
ASSETS:			
Cash and Investments	\$ 157	\$ 638	\$ 265,286
Accounts Receivable - Net			6,518
Federal Grants Receivable			5,431
Interest Receivable		1	55
Due from Other Funds			
Loans Receivable - Net		282	
Notes Receivable			
Judgements			
Reposessed Property			
Land			25,146
Fixed Assets (Net of Accumulated Depreciation)			290,823
Construction in Progress			28,308
Investment in Corporations			
TOTAL ASSETS	\$ 157	\$ 921	\$ 621,567
LIABILITIES AND FUND EQUITY:			
LIABILITIES:			
Warrants Outstanding	\$	\$	\$ 1,222
Accounts Payable			
Due to Other Funds	2	98	16,207
Interest Payable			4,534
Deferred Revenues			3,299
Revenue Bonds Payable			206,178
Other Liabilities			
TOTAL LIABILITIES	2	98	231,440
FUND EQUITY:			
Contributed Capital	100	1,150	123,815
Retained Earnings:			
Reserved			3,626
Unreserved	55	(327)	262,686
TOTAL RETAINED EARNINGS	55	(327)	266,312
TOTAL FUND EQUITY	155	823	390,127
TOTAL LIABILITIES AND FUND EQUITY	\$ 157	\$ 921	\$ 621,567

STATEMENT 6.10

Department of Natural Resources		Department of Environmental Conservation		Totals			
Agriculture		Alaska Clean Water	Alaska Drinking Water	June 30, 1999			
\$	6,823	\$	32,200	\$	4,796	\$	309,900
	1,930						8,448
			2,261		200		7,892
	248		1,085				1,389
			5		77		82
	8,019		45,467		8,273		62,041
	312						312
	7						7
	1,659						1,659
							25,146
	2,887						293,710
							28,308
	6,645						6,645
\$	28,530	\$	81,018	\$	13,346	\$	745,539
\$	1	\$		\$		\$	1
	64						1,286
	135						16,442
							4,534
							3,299
							206,178
	32						32
	232		0		0		231,772
	59,855		66,060		12,614		263,594
							3,626
	(31,557)		14,958		732		246,547
	(31,557)		14,958		732		250,173
	28,298		81,018		13,346		513,767
\$	28,530	\$	81,018	\$	13,346	\$	745,539

STATE OF ALASKA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
OTHER AGENCIES ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 6.11

	Department of Health and Social Services	Department of Community and Regional Affairs	Department of Transportation and Public Facilities
	Alcoholism and Drug Abuse	Rural Development	International Airports
OPERATING REVENUES:			
Charges for Services	\$	\$	\$ 51,996
Interest Income		12	
Other			188
TOTAL OPERATING REVENUES	0	12	52,184
OPERATING EXPENSES:			
Operating	2	98	40,901
Provision for Loan Losses and Forgiveness			
Depreciation			17,406
TOTAL OPERATING EXPENSES	2	98	58,307
OPERATING INCOME (LOSS)	(2)	(86)	(6,123)
NONOPERATING REVENUES (EXPENSES):			
Interest Income	8		8,616
Interest Expense			(6,334)
Income (Loss) from Rents and Royalties			
Income (Loss) from Investment			
Gain (Loss) on Disposal of Fixed Assets			
TOTAL NONOPERATING REVENUES (EXPENSES)	8	0	2,282
INCOME (LOSS) BEFORE OPERATING TRANSFERS	6	(86)	(3,841)
OPERATING TRANSFERS:			
Operating Transfers (Out to) Other Funds			
NET INCOME (LOSS)	6	(86)	(3,841)
Depreciation on Fixed Assets Acquired by Grants or Contributions			5,770
INCREASE (DECREASE) IN RETAINED EARNINGS	6	(86)	1,929
RETAINED EARNINGS, BEGINNING OF YEAR	49	(241)	264,383
RETAINED EARNINGS, END OF YEAR	\$ 55	\$ (327)	\$ 266,312

STATEMENT 6.11

Department of Natural Resources	Department of Environmental Conservation		Totals Year Ended
Agriculture	Alaska Clean Water	Alaska Drinking Water	June 30, 1999
\$ 12	\$	\$	\$ 52,008
648	1,526		2,186
7		4,339	4,534
667	1,526	4,339	58,728
375	502	5,425	47,303
4			4
5			17,411
384	502	5,425	64,718
283	1,024	(1,086)	(5,990)
	1,518	251	10,393
			(6,334)
(147)			(147)
238			238
820			820
911	1,518	251	4,970
1,194	2,542	(835)	(1,020)
(956)			(956)
238	2,542	(835)	(1,976)
			5,770
238	2,542	(835)	3,794
(31,795)	12,416	1,567	246,379
\$ (31,557)	\$ 14,958	\$ 732	\$ 250,173

STATE OF ALASKA
COMBINING STATEMENT OF CASH FLOWS
OTHER AGENCIES ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 6.12

	Department of Health and Social Services	Department of Community and Regional Affairs	Department of Transportation and Public Facilities
	Alcoholism and Drug Abuse	Rural Development	International Airports
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (2)	\$ (86)	\$ (6,123)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Amortization			17,406
Provision for Loan Losses and Forgiveness			
Principal Collections on Loans and Notes		17	
Loans Originated		(176)	
Write-Down and Net (Gain) Loss of Owned Property			(10)
Nonoperating Activity			
(Increase) Decrease in Assets:			
Accounts Receivable - Net			(719)
Federal Grants Receivable			
Interest Receivable			
Due from Other Funds			
Reposessed Property			
Increase (Decrease) in Liabilities:			
Warrants Outstanding			
Accounts Payable			422
Due to Other Funds	2	4	7,002
Deferred Revenues			(83)
Other Liabilities			
NET CASH PROVIDED BY (USED FOR)			
OPERATING ACTIVITIES	0	(241)	17,895
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Advances and Contributions			
Residual Equity Fund Transfers from Other Funds			
Operating Transfers (Out to) Other Funds			
NET CASH PROVIDED BY (USED FOR)			
NONCAPITAL FINANCING ACTIVITIES	0	0	0

STATEMENT 6.12

Department of Natural Resources	Department of Environmental Conservation		Totals
	Alaska Clean Water	Alaska Drinking Water	Year Ended
Agriculture			June 30, 1999
\$ 283	\$ 1,024	\$ (1,086)	\$ (5,990)
5			17,411
4			4
2,204	2,098		4,319
(1,319)	(10,817)	(7,015)	(19,327)
(147)			(10)
			(147)
(1,076)			(1,795)
		12	12
(65)	(122)		(187)
	32	(77)	(45)
1,203			1,203
(220)			(220)
(63)			359
(6)			7,002
			(83)
(49)			(49)
754	(7,785)	(8,166)	2,457
	7,526	5,837	13,363
	2,360	1,468	3,828
(956)			(956)
(956)	9,886	7,305	16,235

This statement continued on next page.

STATE OF ALASKA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
OTHER AGENCIES ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 6.12

	Department of Health and Social Services	Department of Community and Regional Affairs	Department of Transportation and Public Facilities
	Alcoholism and Drug Abuse	Rural Development	International Airports
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Advances and Contributions	\$	\$	\$ 17,124
Proceeds from Issuance of Long-Term Debt			198,765
Payments on Long-Term Debt			(25,984)
Interest and Fees Paid on Borrowings			(2,320)
Acquisition and Construction of Fixed Assets			(47,182)
Proceeds from Sales of Fixed Assets			10
Payments on Capital Lease Obligations			(211)
NET CASH PROVIDED BY (USED FOR)			
CAPITAL AND RELATED FINANCING ACTIVITIES	0	0	140,202
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from Sales/Maturities of Investments			1,069,187
Purchase of Investments			(1,048,588)
Income Received on Investments	8		9,817
Change in Restricted Cash and Investments			(175,624)
NET CASH PROVIDED BY (USED FOR)			
INVESTING ACTIVITIES	8	0	(145,208)
NET INCREASE (DECREASE) IN CASH	8	(241)	12,889
CASH, BEGINNING OF YEAR	149	879	2,055
CASH, END OF YEAR	\$ 157	\$ 638	\$ 14,944
RECONCILIATION OF CASH TO THE BALANCE SHEET:			
Total Cash and Investments per the Balance Sheet	\$ 157	\$ 638	\$ 265,286
Less: Investments not meeting the definition of cash or cash equivalents			(69,443)
Restricted Cash and Investments			(180,899)
CASH, END OF YEAR	\$ 157	\$ 638	\$ 14,944
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Net Income (Loss) from Investment in Matanuska Maid	\$	\$	\$

STATEMENT 6.12

Department of Natural Resources	Department of Environmental Conservation		Totals Year Ended
Agriculture	Alaska Clean Water	Alaska Drinking Water	June 30, 1999
\$	\$	\$	\$
			17,124
			198,765
			(25,984)
			(2,320)
(256)			(47,438)
378			388
			(211)
122	0	0	140,324
			1,069,187
			(1,048,588)
	1,518	251	11,594
			(175,624)
0	1,518	251	(143,431)
(80)	3,619	(610)	15,585
6,903	28,581	5,406	43,973
\$ 6,823	\$ 32,200	\$ 4,796	\$ 59,558
\$ 6,823	\$ 32,200	\$ 4,796	\$ 309,900
			(69,443)
			(180,899)
\$ 6,823	\$ 32,200	\$ 4,796	\$ 59,558
\$ 238	\$	\$	\$ 238



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Internal Service Funds

Internal service funds account for the operations of State agencies which render services to other State agencies, institutions, or other governmental units on a cost-reimbursement basis. The following are the State's internal service funds.

Highways Equipment Working Capital Fund - AS 44.68.210 - Administered by the Department of Transportation and Public Facilities. This fund is used for necessary expenses resulting from the centralization of equipment maintenance and for the operation of supply depots.

Correctional Industries Fund - AS 33.32.020 - Administered by the Department of Corrections. The fund accounts for correctional industries program activity (which includes, among others, a commercial laundry service and a furniture manufacturing enterprise). The correctional industries program provides employment for inmates at several of the State's correctional institutions. All expenses of the correctional industries program, except salaries and benefits of State employees, are financed from the correctional industries program and budgeted in accordance with the Executive Budget. Salary and benefits of State employees of the program are financed by other funding sources.

Information Services Fund - AS 44.21.045 - During the 1990 Legislative Session, the Legislature established the Information Services Fund (ISF) in the Department of Administration and classified it as an internal service fund. The ISF is used to account for the operation and financing of computing and telecommunication services for the State of Alaska. Included in these services is operation of the State's mainframe computer; the statewide consolidated data network; the telephone system in Juneau, Anchorage, and Fairbanks; and the microwave communications infrastructure.

Group Health and Life Benefits Fund - AS 39.30.095 - Administered by the Department of Administration. Effective July 1, 1997, the State began a self-insurance program to provide health care coverage for State employees and for retirees covered by the retirement programs administered by the State. This fund consists of accumulated assets held for the purpose of paying health care claims for employees and retirees and to account for transactions pertaining to the self-insurance program.

STATE OF ALASKA
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 7.01

	Highway Equipment Working Capital	Correctional Industries
ASSETS:		
Cash and Investments	\$ 7,107	\$ 464
Accounts Receivable - Net		
Intergovernmental Receivable	205	213
Due from Other Funds	4,095	322
Inventories	2,594	674
Fixed Assets	136,232	2,661
Less: Accumulated Depreciation	(72,379)	(1,612)
Other Assets		
TOTAL ASSETS	\$ 77,854	\$ 2,722
LIABILITIES AND FUND EQUITY:		
LIABILITIES:		
Warrants Outstanding	\$ 120	\$ 118
Accounts Payable	614	175
Due to Other Funds		
Interest Payable	25	
Notes Payable	2,915	
Capital Lease Obligations		
Other Liabilities	1,711	108
TOTAL LIABILITIES	5,385	401
FUND EQUITY:		
Contributed Capital	59,364	2,292
Retained Earnings:		
Reserved	4,216	
Unreserved	8,889	29
TOTAL RETAINED EARNINGS	13,105	29
TOTAL FUND EQUITY	72,469	2,321
TOTAL LIABILITIES AND FUND EQUITY	\$ 77,854	\$ 2,722
LEGAL REFERENCE: Alaska Statute	44.68.210	33.32.020

STATEMENT 7.01

Information Services	Group Health and Life Benefits		Totals
	Group Health and Life	Retiree Health	June 30, 1999
\$ 8,664	\$ 25,291	\$ 75,903	\$ 117,429
178	96	4,434	4,530
2,167			596
235		145	6,729
47,007			3,503
(33,728)			185,900
733			(107,719)
			733
<u>\$ 25,256</u>	<u>\$ 25,387</u>	<u>\$ 80,482</u>	<u>\$ 211,701</u>
\$ 249	\$	\$	\$ 487
752	18,400	29,542	49,483
	2,200	2,451	4,651
			25
			2,915
4,121			4,121
1,228			3,047
<u>6,350</u>	<u>20,600</u>	<u>31,993</u>	<u>64,729</u>
<u>11,589</u>			<u>73,245</u>
224			4,440
7,093	4,787	48,489	69,287
<u>7,317</u>	<u>4,787</u>	<u>48,489</u>	<u>73,727</u>
<u>18,906</u>	<u>4,787</u>	<u>48,489</u>	<u>146,972</u>
<u>\$ 25,256</u>	<u>\$ 25,387</u>	<u>\$ 80,482</u>	<u>\$ 211,701</u>
44.21.045	39.30.095		

STATE OF ALASKA

STATEMENT 7.02

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

ALL INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 1999

(Stated in Thousands)

	Highway Equipment Working Capital	Correctional Industries
OPERATING REVENUES:		
Charges for Goods and Services	\$ 31,219	\$ 3,336
Premiums		
TOTAL OPERATING REVENUES	31,219	3,336
OPERATING EXPENSES:		
Costs of Goods and Services		2,199
Operating	19,820	1,884
Provision for Loan Losses and Forgiveness	82	
Depreciation	8,744	41
Benefits		
TOTAL OPERATING EXPENSES	28,646	4,124
OPERATING INCOME (LOSS)	2,573	(788)
NONOPERATING REVENUES (EXPENSES):		
Interest Income		
Interest Expense	(186)	
Gain (Loss) on Disposal of Fixed Assets	345	
Other Revenues	49	
Other Expenses	(388)	
TOTAL NONOPERATING REVENUES (EXPENSES)	(180)	0
INCOME (LOSS) BEFORE OPERATING TRANSFERS	2,393	(788)
OPERATING TRANSFERS:		
Operating Transfers In from Other Funds		1,050
NET INCOME (LOSS)	2,393	262
RETAINED EARNINGS, BEGINNING OF YEAR	10,710	(233)
Prior Period Adjustment	2	
RETAINED EARNINGS, END OF YEAR	\$ 13,105	\$ 29

STATEMENT 7.02

Information Services	Group Health and Life Benefits		Totals
	Group Health and Life	Retiree Health	Year Ended
			June 30, 1999
\$ 22,863	\$ 84,307	\$ 126,173	\$ 57,418
			210,480
22,863	84,307	126,173	267,898
17,364	5,748	5,782	2,199
			50,598
			82
3,146			11,931
	70,943	111,356	182,299
20,510	76,691	117,138	247,109
2,353	7,616	9,035	20,789
	705	1,840	2,545
(359)			(545)
(16)			329
			49
			(388)
(375)	705	1,840	1,990
1,978	8,321	10,875	22,779
			1,050
1,978	8,321	10,875	23,829
5,339	(3,534)	37,614	49,896
			2
\$ 7,317	\$ 4,787	\$ 48,489	\$ 73,727

STATE OF ALASKA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 7.03

	Highway Equipment Working Capital	Correctional Industries
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 2,573	\$ (788)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	8,744	41
Provisions for Loan Losses and Forgiveness	82	
Nonoperating Activity	(339)	
(Increase) Decrease in Assets:		
Accounts Receivable - Net		
Intergovernmental Receivable	(272)	33
Due from Other Funds	11	151
Inventories	348	(82)
Other Assets	10	
Increase (Decrease) in Liabilities:		
Warrants Outstanding	(7)	25
Accounts Payable	(93)	(26)
Due to Other Funds		
Other Liabilities	73	(30)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	11,130	(676)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating Transfers In from Other Funds		1,050
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	0	1,050
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments on Long-Term Debt	(966)	
Interest and Fees Paid on Borrowings	(194)	
Acquisition and Construction of Fixed Assets	(9,284)	(75)
Proceeds from Sale of Fixed Assets	1,170	
Payments on Capital Lease Obligations		
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(9,274)	(75)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net Purchases of Investments		
Interest Received on Investments		
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	0	0
NET INCREASE (DECREASE) IN CASH	1,856	299
CASH, BEGINNING OF YEAR	5,251	165
CASH, END OF YEAR	\$ 7,107	\$ 464
RECONCILIATION OF CASH TO THE BALANCE SHEET:		
Total Cash and Investments per the Balance Sheet	\$ 7,107	\$ 464
Less: Investments not meeting the definition of cash or cash equivalents		
CASH, END OF YEAR	\$ 7,107	\$ 464
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Contributed Fixed Assets	\$ 135	\$
Fixed Assets Transferred to General Fixed Assets Account Group	(140)	

STATEMENT 7.03

Information Services	Group Health and Life Benefits		Totals
	Group Health and Life	Retiree Health	Year Ended
			June 30, 1999
\$ 2,353	\$ 7,616	\$ 9,035	\$ 20,789
3,146			11,931
			82
			(339)
	(96)	17,566	17,470
275			36
(306)		(145)	(289)
8			274
52			62
55			73
(443)	2,725	8,801	10,964
	2,200	2,451	4,651
79			122
5,219	12,445	37,708	65,826
			1,050
0	0	0	1,050
			(966)
(359)			(553)
(2,872)			(12,231)
			1,170
(633)			(633)
(3,864)	0	0	(13,213)
		(68,209)	(68,209)
	705	1,839	2,544
0	705	(66,370)	(65,665)
1,355	13,150	(28,662)	(12,002)
7,309	12,141	36,356	61,222
<u>\$ 8,664</u>	<u>\$ 25,291</u>	<u>\$ 7,694</u>	<u>\$ 49,220</u>
\$ 8,664	\$ 25,291	\$ 75,903	\$ 117,429
		(68,209)	(68,209)
<u>\$ 8,664</u>	<u>\$ 25,291</u>	<u>\$ 7,694</u>	<u>\$ 49,220</u>
\$	\$	\$	135
			(140)



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Trust and Agency Funds

Trust and agency funds are fiduciary in nature and are maintained to account for assets held by the State acting in the capacity as a trustee or agent. The following are the State's trust and agency funds.

Expendable Trust Funds

- Memorial Scholarship Revolving Loan Fund - AS 14.43.255 – Administered by the Department of Education. The fund was created to honor Alaskans who, by example of their lives, or by their distinguished contribution and service to the State, their community, or their profession, have exemplified the best that is the challenge of "The Great Land." By creation of memorial scholarships the fund pays tribute to these distinguished Alaskans.
- Permanent Fund Dividend Fund - AS 43.23.045 – Administered by Department of Revenue. This fund consists of 50 percent of the income of the Alaska permanent fund earned during the fiscal year ending on June 30 and is paid out to Alaska residents.
- Unemployment Compensation Fund – AS 23.20.130 - Administered by the Department of Labor. This fund is a federal trust fund held for the State of Alaska. It is used to account for the collection of unemployment insurance premiums from employers, and the payment of unemployment benefits to eligible claimants.
- Constitutional Budget Reserve Fund - Alaska Constitution, article IX, section 17; AS 37.13 - Administered by Department of Revenue. It is comprised of all proceeds resulting from termination of an administrative proceeding or of litigation in a State or federal court involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property except for the share of those proceeds which are deposited into the Alaska Permanent Fund.
- Public Advocacy Trust Fund - AS 44.21.410 – Administered by the Department of Administration. The Public Advocacy Trust Fund holds in trust the funds for individuals under the guardianship of the Office of Public Advocacy.
- Exxon Valdez Settlement Trust Fund - AS 37.14.400 - Memorandum of Agreement and Consent Decree between the United States (U.S.) and the State of Alaska to maximize the funds available for restoration of natural resources and to resolve the governments' claims against one another relating to the Exxon Valdez Oil Spill, which occurred on the night of March 23-24, 1989, in Prince William Sound, Alaska. The civil settlement funds received are held in a joint trust fund established in the Registry of the U.S. District Court. This joint trust fund is administered by the trustee council which consists of the Secretaries of the U.S. Departments of the Interior and Agriculture and the Administrator of the National Oceanic and Atmospheric Administration (the federal trustees) and the Commissioners of the Departments of Environmental Conservation and Fish & Game and the Attorney General of the State of Alaska (State trustees). The trustee council determines which projects shall be financed by monies from the trust. The Exxon Valdez Settlement Trust Fund established in the State accounting system accounts for those monies transferred to the State for projects approved by the trustee council. These projects are for the purpose of restoring, replacing, enhancing, rehabilitating, or acquiring the equivalent of natural resources injured, lost, or destroyed as a result of the oil spill.
- Alyeska Settlement Trust Fund - Consent Decree between the U.S., Alaska, and Alyeska – Administered by the Department of Revenue. The fund was created for the purpose of receiving, holding, and disbursing settlement proceeds from Alyeska under the Consent Decree. The funds are to be used to clean up oil spills and for other projects described in the Consent Decree.

- Exxon Valdez Oil Spill Restoration Fund - U.S. District Court judgement in the criminal case U.S. v. Exxon Shipping Company and Exxon Corporation resulted in \$50 million restitution being received by the State to be used exclusively for restoration projects relating to the Exxon Valdez oil spill. Administered by the Department of Revenue.
- Deferred Compensation - AS 39.45.010 – Administered by the Department of Administration. This fund consists of compensation deferred by employees under the State's deferred compensation plan allowed under Section 457 of the Internal Revenue Code.

Nonexpendable Trust Funds

- Alaska Children's Trust Fund - AS 37.14.200 – Administered by the Department of Health and Social Services, and the Alaska Children's Trust Board which is created in the Office of the Governor. The income from this endowment is used to provide a continuing source of revenue for grants to community-based programs for the prevention of child abuse and neglect.
- Public School Trust Fund - AS 37.14.110 – Administered by the Department of Revenue and the Department of Natural Resources. The principal consists of the July 1, 1978 balance from the public school permanent fund and one-half of one percent of the receipts derived from the management of State lands. The income from the trust is used exclusively for the support of the State public school program.
- Alaska Permanent Fund - Alaska Constitution, article IX, section 15 - Administered by the Alaska Permanent Fund Corporation. The Alaska Constitution provides that at least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the State shall be placed in the Permanent Fund. Subsequent legislation increased the Permanent Fund's share to fifty percent for rents and royalties on mineral leases issued after December 1, 1979, and for bonuses on mineral leases issued after February 15, 1980.

Pension Trust Funds

- Public Employees' Retirement System - AS 39.35.020 – Administered by the Department of Administration. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Public Employees' Retirement System.
- Teachers' Retirement System - AS 14.25.010 – Administered by the Department of Administration. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Teachers' Retirement System.
- Judicial Retirement System - AS 22.25.048 – Administered by the Department of Administration. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Judicial Retirement System.
- Alaska National Guard and Alaska Naval Militia Retirement System - AS 26.05.222 – Administered by the Department of Administration. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Alaska National Guard and Alaska Naval Militia Retirement System.
- Supplemental Benefits System - AS 39.30.150 – Administered by the Department of Administration. This fund consists of accumulated assets held for the purpose of paying benefits provided by the Supplemental Benefits System.

Agency Funds

- Impact Aid PL 81-874 – Administered by the Department of Education. These monies are received from the federal government and are distributed to the local school districts. The funds are to provide financial assistance to local school districts where enrollment or availability of revenue is adversely affected by federal activities.
- Wage and Hour - Administered by the Department of Labor. This fund was established to account for receipts and disbursements for wage and hour violations.
- Deposits, Suspense, and Miscellaneous - Administered by the Department of Administration. This fund is used to account for refundable deposits and other receipts held in trust until the State has the right to transfer them to operating funds, or until there is a proper authorization to disburse them directly to others.

STATE OF ALASKA
COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 8.01

	Expendable Trust	Nonexpendable Trust	Pension Trust	Agency	Totals June 30, 1999
ASSETS:					
Cash and Investments	\$ 3,224,038	\$ 26,796,501	\$ 14,099,963	\$ 67,997	\$ 44,188,499
Accounts Receivable - Net	10,578	162,581	50,130		223,289
Interest and Dividends Receivable	48	189,849			189,897
Due from Other Funds	4,472,441	22,161	1,063	1,861	4,497,526
Loans Receivable - Net	1,896				1,896
Notes Receivable - Net	14,209	179			14,388
Prepaid Expenses	8				8
TOTAL ASSETS	\$ 7,723,218	\$ 27,171,271	\$ 14,151,156	\$ 69,858	\$ 49,115,503
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Warrants Outstanding	\$ 6,318	\$ 2	\$	\$ 2,202	\$ 8,522
Accounts Payable	6,504	271,390	15,889	11,274	305,057
Due to Other Funds	44,539	1,048,522	7	48	1,093,116
Due to Component Units		436,753			436,753
Deferred Revenues	14,266	267			14,533
Amounts Held in Custody for Others	39			56,334	56,373
TOTAL LIABILITIES	71,666	1,756,934	15,896	69,858	1,914,354
FUND BALANCES:					
Reserved for Nonexpendable					
Trust Corpus		19,231,706			19,231,706
Reserved for Employees'					
Pension Benefits			11,043,448		11,043,448
Reserved for Employees'					
Postemployment Healthcare Benefits			3,091,812		3,091,812
Reserved for Other Specific					
Trust Purposes	7,651,552	6,182,631			13,834,183
TOTAL FUND BALANCES	7,651,552	25,414,337	14,135,260	0	47,201,149
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,723,218	\$ 27,171,271	\$ 14,151,156	\$ 69,858	\$ 49,115,503

STATE OF ALASKA
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 8.02

	Memorial Scholarship	Alaska Permanent Fund Dividend	Unemployment Compensation	Constitutional Budget Reserve
ASSETS:				
Cash and Investments	\$ 1,472	\$ 9,714	\$ 451	\$ 2,628,331
Cash in U.S. Treasury			189,384	
Accounts Receivable - Net		1	9,565	
Contributions Receivable				
Interest and Dividends Receivable	48			
Due from Alaska Permanent Fund		1,044,976		
Due from General Fund				3,427,129
Due from Employment Assistance and Training Fund			336	
Loans Receivable - Net	1,896			
Notes Receivable - Net				14,209
Prepaid Expenses				
TOTAL ASSETS	\$ 3,416	\$ 1,054,691	\$ 199,736	\$ 6,069,669
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Warrants and Checks Outstanding	\$ 24	\$ 1,826	\$ 3,116	\$ 291
Accounts Payable		169	5,395	83
Due to General Fund		1,319	131	42,453
Due to Training and Building Fund			7	
Deferred Revenues and Credits	57			14,209
Trust Deposits Payable		3	36	
TOTAL LIABILITIES	81	3,317	8,685	57,036
FUND BALANCES:				
Reserved for Memorial Scholarship Loans	3,335			
Reserved for Alaska Permanent Fund Dividends		1,051,374		
Reserved for Unemployment Compensation Benefits			191,051	
Reserved for Constitutional Budget Reserve				6,012,633
Reserved for Public Advocacy Trust				
Reserved for Exxon Valdez Settlement Trust				
Reserved for Alyeska Settlement Trust				
Reserved for Oil Restoration				
Reserved for Deferred Compensation Plan Benefits				
TOTAL FUND BALANCES	3,335	1,051,374	191,051	6,012,633
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,416	\$ 1,054,691	\$ 199,736	\$ 6,069,669

Public Advocacy Trust	Exxon Valdez Settlement Trust	Alyeska Settlement Trust	Oil Restoration	Deferred Compensation	Totals June 30, 1999
\$ 3,410	\$ 13,352	\$ 6,626	\$ 9,892	\$ 361,406	\$ 3,034,654
	1				189,384
				1,011	9,567
					1,011
					48
					1,044,976
					3,427,129
					336
					1,896
					14,209
	8				8
\$ 3,410	\$ 13,361	\$ 6,626	\$ 9,892	\$ 362,417	\$ 7,723,218
\$	\$ 958	\$	\$ 103	\$	\$ 6,318
	551	83	223		6,504
	96	6	527		44,532
					7
					14,266
					39
0	1,605	89	853	0	71,666
					3,335
					1,051,374
					191,051
					6,012,633
3,410					3,410
	11,756				11,756
		6,537			6,537
			9,039		9,039
				362,417	362,417
3,410	11,756	6,537	9,039	362,417	7,651,552
\$ 3,410	\$ 13,361	\$ 6,626	\$ 9,892	\$ 362,417	\$ 7,723,218

STATE OF ALASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 8.03

	Memorial Scholarship	Alaska Permanent Fund Dividend	Unemployment Compensation	Constitutional Budget Reserve
REVENUES:				
Taxes	\$	\$	\$	\$ 21,157
Charges for Services		184		
Fines and Forfeitures				240
Rents and Royalties				2,628
Contributions	236		127,719	
Interest and Investment Income	37		13,496	190,766
Net Increase (Decrease) in the Fair Value of Investments				(70,841)
Federal		355	32	6,633
Other		375		
TOTAL REVENUES	273	914	141,247	150,583
EXPENDITURES:				
Current Operating				
General Government		4,631		2,783
Health and Social Services		888,456	141,360	
Law, Justice, and Public Protection		4,313		
Natural Resources				
Capital Outlay		397		
TOTAL EXPENDITURES	0	897,797	141,360	2,783
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	273	(896,883)	(113)	147,800
OTHER FINANCING SOURCES (USES):				
Operating Transfers (Out to) Other Funds				
Operating Transfers In from Other Funds		1,044,943		2,783
TOTAL OTHER FINANCING SOURCES (USES)	0	1,044,943	0	2,783
EXCESS (DEFICIENCY) OF REVENUES AND OTHER OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	273	148,060	(113)	150,583
FUND BALANCES, BEGINNING OF YEAR	3,062	903,314	190,837	5,862,050
Residual Equity Fund Transfers from Other Funds			310	
Prior Period Adjustment			17	
FUND BALANCES, END OF YEAR	\$ 3,335	\$ 1,051,374	\$ 191,051	\$ 6,012,633

Public Advocacy Trust	Exxon Valdez Settlement Trust	Alyeska Settlement Trust	Oil Restoration	Deferred Compensation	Totals Year Ended
					June 30, 1999
\$	\$	\$	\$	\$	\$ 21,157
					184
					240
					2,628
	45,158			23,694	196,807
140	579	348	617	6,984	212,967
				43,039	(27,802)
					7,020
<u>7,789</u>	<u>53</u>				<u>8,217</u>
<u>7,929</u>	<u>45,790</u>	<u>348</u>	<u>617</u>	<u>73,717</u>	<u>421,418</u>
				734	8,148
7,313				16,689	1,053,818
178					4,491
	8,775				8,775
	<u>32,711</u>	<u>753</u>	<u>3,995</u>		<u>37,856</u>
<u>7,491</u>	<u>41,486</u>	<u>753</u>	<u>3,995</u>	<u>17,423</u>	<u>1,113,088</u>
438	4,304	(405)	(3,378)	56,294	(691,670)
			(487)		(487)
					<u>1,047,726</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(487)</u>	<u>0</u>	<u>1,047,239</u>
438	4,304	(405)	(3,865)	56,294	355,569
2,972	7,452	6,942	12,904	306,123	7,295,656
					310
					<u>17</u>
<u>\$ 3,410</u>	<u>\$ 11,756</u>	<u>\$ 6,537</u>	<u>\$ 9,039</u>	<u>\$ 362,417</u>	<u>\$ 7,651,552</u>

STATE OF ALASKA
COMBINING BALANCE SHEET
NONEXPENDABLE TRUST FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 8.04

	Alaska Children's Trust	Public School	Alaska Permanent	Totals June 30, 1999
ASSETS:				
Cash and Investments	\$ 9,256	\$ 272,226	\$ 26,515,019	\$ 26,796,501
Accounts Receivable - Net		221	162,360	162,581
Interest and Dividends Receivable	14	428	189,407	189,849
Due from General Fund	22	755	21,384	22,161
Notes Receivable - Net		179		179
TOTAL ASSETS	\$ 9,292	\$ 273,809	\$ 26,888,170	\$ 27,171,271
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Warrants Outstanding	\$ 1	\$ 1	\$	\$ 2
Accounts Payable	66	10	271,314	271,390
Due to Alaska Permanent Fund Dividend Fund			1,044,976	1,044,976
Due to General Fund		531	3,015	3,546
Due to Mental Health Trust Fund			305,939	305,939
Due to Alaska Science and Technology Endowment Fund			124,887	124,887
Due to International Trade and Business Endowment Fund			5,927	5,927
Deferred Revenues		267		267
TOTAL LIABILITIES	67	809	1,756,058	1,756,934
FUND BALANCES:				
Reserved for Nonexpendable Trust Corpus	9,059	263,862	18,958,785	19,231,706
Reserved for Other Specific Trust Purposes	166	9,138	6,173,327	6,182,631
TOTAL FUND BALANCES	9,225	273,000	25,132,112	25,414,337
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,292	\$ 273,809	\$ 26,888,170	\$ 27,171,271

STATE OF ALASKA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
NONEXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 8.05

	Alaska Children's Trust	Public School	Alaska Permanent	Totals Year Ended June 30, 1999
OPERATING REVENUES:				
Interest and Investment Income	\$ 321	\$ 9,467	\$ 1,027,317	\$ 1,037,105
Net Increase (Decrease) in the Fair Value of Investments			1,153,982	1,153,982
TOTAL OPERATING REVENUES	321	9,467	2,181,299	2,191,087
OPERATING EXPENSES:				
Operating	333	7,278	33,529	41,140
TOTAL OPERATING EXPENSES	333	7,278	33,529	41,140
OPERATING INCOME (LOSS)	(12)	2,189	2,147,770	2,149,947
NONOPERATING REVENUES (EXPENSES):				
Net Increase (Decrease) in the Fair Value of Investments	703	18,830		19,533
Net Increase in Fair Value of Investments Held for Component Units			18,772	18,772
Earnings of Investments held for Component Units			16,875	16,875
Other Revenue	306	2,608		2,914
TOTAL NONOPERATING REVENUES (EXPENSES)	1,009	21,438	35,647	58,094
INCOME (LOSS) BEFORE OPERATING TRANSFERS	997	23,627	2,183,417	2,208,041
OPERATING TRANSFERS:				
Operating Transfers (Out to) Other Funds			(1,047,464)	(1,047,464)
Operating Transfers (Out to) Component Units			(35,647)	(35,647)
NET INCOME (LOSS)	997	23,627	1,100,306	1,124,930
FUND BALANCES, BEGINNING OF YEAR	8,193	249,373	23,876,315	24,133,881
Residual Equity Fund Transfers from Other Funds	35		155,491	155,526
FUND BALANCES, END OF YEAR	\$ 9,225	\$ 273,000	\$ 25,132,112	\$ 25,414,337

STATE OF ALASKA
COMBINING STATEMENT OF CASH FLOWS
NONEXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 8.06

	Alaska Children's Trust	Public School	Alaska Permanent	Totals Year Ended June 30, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (12)	\$ 2,189	\$ 2,147,770	\$ 2,149,947
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Investment Activity	(321)	(9,467)	(2,181,299)	(2,191,087)
Nonoperating Activity	306	2,608	(569)	2,345
(Increase) Decrease in Assets:				
Accounts Receivable - Net		(45)		(45)
Due from General Fund	(27)			(27)
Notes Receivable - Net		52		52
Prepaid Expenses			2	2
Increase (Decrease) in Liabilities:				
Warrants Outstanding	1	(5)		(4)
Accounts Payable	7	(2)	2,218	2,223
Due to General Fund		(1)		(1)
Deferred Revenues		(6)		(6)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(46)	(4,677)	(31,878)	(36,601)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Residual Equity Fund Transfers from Other Funds	35		157,993	158,028
Operating Transfers (Out to) Other Funds			(892,678)	(892,678)
Operating Transfers (Out to) Component Units			(33,076)	(33,076)
Operating Transfers In from Component Units			24	24
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	35	0	(767,737)	(767,702)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investments			(2,019,265)	(2,019,265)
Undistributed Real Estate Income			5,639	5,639
Income Received on Investments	1,027	28,479	2,663,504	2,693,010
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	1,027	28,479	649,878	679,384
NET INCREASE (DECREASE) IN CASH	1,016	23,802	(149,737)	(124,919)
CASH, BEGINNING OF YEAR	8,240	248,424	517,490	774,154
CASH, END OF YEAR	\$ 9,256	\$ 272,226	\$ 367,753	\$ 649,235
RECONCILIATION OF CASH TO THE BALANCE SHEET:				
Total Cash and Investments per the Balance Sheet	\$ 9,256	\$ 272,226	\$ 26,515,019	\$ 26,796,501
Less: Investments not meeting the definition of cash or cash equivalents			(26,147,266)	(26,147,266)
CASH, END OF YEAR	\$ 9,256	\$ 272,226	\$ 367,753	\$ 649,235



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STATE OF ALASKA
COMBINING STATEMENT OF PLAN NET ASSETS
PENSION TRUST FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 8.07

	Public Employees' Retirement System		
	Pension	Postemployment Healthcare	Total
ASSETS:			
Cash and Investments	\$ 5,806,807	\$ 2,281,330	\$ 8,088,137
Contributions Receivable	16,685	6,704	23,389
Other Receivables	4	2	6
Due from General Fund	611	246	857
Investment Loss Trust Fund Assets			
TOTAL ASSETS	5,824,107	2,288,282	8,112,389
LIABILITIES:			
Accounts Payable	5,015	2,016	7,031
Payable to Plan Participants			
Due to General Fund			
TOTAL LIABILITIES	5,015	2,016	7,031
FUND BALANCES:			
Reserved for Employees' Pension Benefits and Postemployment Healthcare Benefits	<u>\$ 5,819,092</u>	<u>\$ 2,286,266</u>	<u>\$ 8,105,358</u>

Teachers' Retirement System			Judicial Retirement System		
Pension	Postemployment Healthcare	Total	Pension	Postemployment Healthcare	Total
\$ 3,385,443 18,157	\$ 799,264 4,015	\$ 4,184,707 22,172	\$ 65,438 104	\$ 2,781 7	\$ 68,219 111
160	35	195	10	1	11
3,403,760	803,314	4,207,074	65,552	2,789	68,341
2,502	553	3,055	59	4	63
2,502	553	3,055	59	4	63
\$ 3,401,258	\$ 802,761	\$ 4,204,019	\$ 65,493	\$ 2,785	\$ 68,278

This statement continued on next page.

STATE OF ALASKA
COMBINING STATEMENT OF PLAN NET ASSETS (CONTINUED)
PENSION TRUST FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 8.07

	National Guard and Naval Militia	Supplemental Benefits System
	Pension	Pension
ASSETS:		
Cash and Investments	\$ 13,137	\$ 1,741,467
Contributions Receivable		4,452
Other Receivables		
Due from General Fund		
Investment Loss Trust Fund Assets		4,296
TOTAL ASSETS	13,137	1,750,215
LIABILITIES:		
Accounts Payable	87	1,357
Payable to Plan Participants		4,296
Due to General Fund	7	
TOTAL LIABILITIES	94	5,653
FUND BALANCES:		
Reserved for Employees' Pension Benefits and Postemployment		
Healthcare Benefits	\$ 13,043	\$ 1,744,562

STATEMENT 8.07

Totals		
June 30, 1999		
Pension	Postemployment Healthcare	Total
\$ 11,012,292	\$ 3,083,375	\$ 14,095,667
39,398	10,726	50,124
4	2	6
781	282	1,063
4,296		4,296
11,056,771	3,094,385	14,151,156
9,020	2,573	11,593
4,296		4,296
7		7
13,323	2,573	15,896
\$ 11,043,448	\$ 3,091,812	\$ 14,135,260

STATE OF ALASKA
COMBINING BALANCE SHEET
ALL AGENCY FUNDS
June 30, 1999
(Stated in Thousands)

STATEMENT 8.08

	Impact Aid PL 81-874	Wage and Hour	Deposits, Suspense, and Miscellaneous	Totals June 30, 1999
ASSETS:				
Cash and Investments	\$ 14,208	\$ 112	\$ 53,677	\$ 67,997
Due from General Fund			1,861	1,861
TOTAL ASSETS	\$ 14,208	\$ 112	\$ 55,538	\$ 69,858
LIABILITIES:				
Warrants Outstanding	\$ 1,146	\$ 19	\$ 1,037	\$ 2,202
Accounts Payable	9,139	1	2,134	11,274
Due to General Fund		44	4	48
Amounts Held in Custody for Others	3,923	48	52,363	56,334
TOTAL LIABILITIES	\$ 14,208	\$ 112	\$ 55,538	\$ 69,858

STATE OF ALASKA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 8.09

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
IMPACT AID PL 81-874				
ASSETS:				
Cash and Investments	\$ 1,529	\$ 40,460	\$ 27,781	\$ 14,208
LIABILITIES:				
Warrants Outstanding	\$	\$ 37,689	\$ 36,543	\$ 1,146
Accounts Payable		9,139		9,139
Amounts Held in Custody for Others	1,529	49,222	46,828	3,923
TOTAL LIABILITIES	\$ 1,529	\$ 96,050	\$ 83,371	\$ 14,208

WAGE AND HOUR

ASSETS:				
Cash and Investments	\$ 84	\$ 189	\$ 161	\$ 112
LIABILITIES:				
Warrants Outstanding	\$ 3	\$ 182	\$ 166	\$ 19
Accounts Payable		1		1
Due to General Fund		44		44
Amounts Held in Custody for Others	81	149	182	48
TOTAL LIABILITIES	\$ 84	\$ 376	\$ 348	\$ 112

DEPOSITS, SUSPENSE, AND MISCELLANEOUS

ASSETS:				
Cash and Investments	\$ 42,606	\$ 66,907	\$ 55,836	\$ 53,677
Due from General Fund	3,527	1,861	3,527	1,861
TOTAL ASSETS	\$ 46,133	\$ 68,768	\$ 59,363	\$ 55,538
LIABILITIES:				
Warrants Outstanding	\$ 2,760	\$ 25,952	\$ 27,675	\$ 1,037
Accounts Payable	3,265	2,152	3,283	2,134
Due to General Fund	14	4	14	4
Amounts Held in Custody for Others	40,094	63,745	51,476	52,363
TOTAL LIABILITIES	\$ 46,133	\$ 91,853	\$ 82,448	\$ 55,538

TOTALS - ALL AGENCY FUNDS

ASSETS:				
Cash and Investments	\$ 44,219	\$ 107,556	\$ 83,778	\$ 67,997
Due from General Fund	3,527	1,861	3,527	1,861
TOTAL ASSETS	\$ 47,746	\$ 109,417	\$ 87,305	\$ 69,858
LIABILITIES:				
Warrants Outstanding	\$ 2,763	\$ 63,823	\$ 64,384	\$ 2,202
Accounts Payable	3,265	11,292	3,283	11,274
Due to General Fund	14	48	14	48
Amounts Held in Custody for Others	41,704	113,116	98,486	56,334
TOTAL LIABILITIES	\$ 47,746	\$ 188,279	\$ 166,167	\$ 69,858



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General Fixed Assets Account Group

The general fixed assets account group accounts for the land, buildings and improvements, and machinery and equipment of the governmental funds.

STATE OF ALASKA
STATEMENT OF GENERAL FIXED ASSETS BY SOURCE
June 30, 1999
(Stated in Thousands)

STATEMENT 9.01

	June 30, 1999
GENERAL FIXED ASSETS:	
Land	\$ 233,588
Buildings	1,553,156
Equipment	540,493
Construction in Progress	177,226
TOTAL GENERAL FIXED ASSETS	\$ 2,504,463
INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE:	
General Obligation Bonds	\$ 1,173,137
Alaska State Housing Authority Bonds	106,150
Federal Grants	89,476
General Fund Revenues	883,744
Federal Land Grants (See Note 1.H.)	88,813
Exxon Valdez Oil Spill Funds	159,143
Other	4,000
TOTAL INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE	\$ 2,504,463

General Long-Term Debt Account Group

The general long-term debt account group accounts for the long-term obligations of the governmental funds.

STATE OF ALASKA
STATEMENT OF CHANGES IN GENERAL LONG-TERM DEBT
For the Fiscal Year Ended June 30, 1999
(Stated in Thousands)

STATEMENT 10.01

	Balance July 1, 1998	Issuances and Other Increases	Retirements and Other Decreases	Balance June 30, 1999
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT:				
Amount Available in Debt Service Fund	\$ 0	\$ 674	\$ 6	\$ 668
Amount to be Provided for Retirement of General Long-Term Debt	399,376	35,713	74,595	360,494
TOTAL AMOUNT AVAILABLE AND TO BE PROVIDED	\$ 399,376	\$ 36,387	\$ 74,601	\$ 361,162
GENERAL LONG-TERM DEBT:				
Serial Bonds Payable	\$ 10,891	\$	\$ 8,515	\$ 2,376
Capital Leases Payable	169,613	3,318	13,866	159,065
Expendable Trust Fund Liabilities	27,806		4,000	23,806
Accrued Vacation Leave	91,219	33,069	34,487	89,801
Claims and Judgements	99,847		13,733	86,114
TOTAL GENERAL LONG-TERM DEBT	\$ 399,376	\$ 36,387	\$ 74,601	\$ 361,162

STATE OF ALASKA
STATEMENT OF BONDED INDEBTEDNESS
GENERAL OBLIGATION BONDS
June 30, 1999
(Stated in Thousands)

STATEMENT 10.02

	June 30, 1999
AMOUNT AVAILABLE AND TO BE PROVIDED:	
Amount Available in Debt Service Fund	\$ 668
Amount to be Provided	<u>1,708</u>
TOTAL AMOUNT AVAILABLE AND TO BE PROVIDED	<u>\$ 2,376</u>
BOND PRINCIPAL LIABILITY:	
Serial Bonds Payable	<u>\$ 2,376</u>

STATE OF ALASKA
SCHEDULE OF DEBT SERVICE BY FISCAL YEAR
GENERAL OBLIGATION BONDS
June 30, 1999
(Stated in Thousands)

STATEMENT 10.03

Year	Principal	Interest	Total Debt Service to Maturity	Redemption Reserve	Required By Fiscal Year
1959	\$ 0	\$ 66	\$ 66	\$	\$ 66
1960	30	99	129		129
1961	93	91	184		184
1962	311	738	1,049		1,049
1963	566	857	1,423		1,423
1964	587	1,299	1,886		1,886
1965	877	1,353	2,230		2,230
1966	1,202	1,307	2,509		2,509
1967	1,248	1,478	2,726		2,726
1968	1,778	2,877	4,655		4,655
1969	3,761	4,058	7,819	9	7,810
1970	3,770	5,536	9,306		9,306
1971	7,971	7,331	15,302		15,302
1972	9,705	9,793	19,498		19,498
1973	11,365	12,147	23,512		23,512
1974	12,352	14,030	26,382		26,382
1975	13,018	17,126	30,144		30,144
1976	12,500	22,615	35,115	11	35,104
1977	12,915	28,969	41,884	25	41,859
1978	18,795	31,233	50,028	93	49,935
1979	25,710	34,314	60,024	228	59,796
1980	38,780	36,292	75,072	1,276	73,796
1981	55,545	42,087	97,632		97,632
1982	58,765	38,694	97,459		97,459
1983	81,230	62,394	143,624	1,136	142,488
1984	100,175	66,162	166,337	390	165,947
1985	107,860	61,664	169,524		169,524
1986	109,265	53,979	163,244		163,244
1987	108,380	46,512	154,892	9	154,883
1988	108,685	39,221	147,906	67	147,839
1989	103,727	31,785	135,512		135,512
1990	95,560	24,746	120,306		120,306
1991	77,499	17,984	95,483		95,483
1992	56,149	12,052	68,201		68,201
1993	51,363	8,325	59,688		59,688
1994	28,398	5,421	33,819		33,819
1995	20,221	2,696	22,917		22,917
1996	18,870	2,435	21,305		21,305
1997	14,895	1,601	16,496		16,496
1998	13,315	904	14,219		14,219
1999	8,515	324	8,839		8,839
2000	2,376	57	2,433		2,433
TOTAL	1,398,127	752,652	2,150,779	3,244	2,147,535
PAID AS OF END OF YEAR	1,395,751	752,595	2,148,346	3,244	2,145,102
REMAINING LIABILITY AT END OF YEAR	\$ 2,376	\$ 57	\$ 2,433	\$ 0	\$ 2,433

Statistical Section



STATE OF ALASKA
GOVERNMENTAL EXPENDITURES BY FUNCTION
Last Ten Fiscal Years
June 30, 1999
(Stated in Thousands)

TABLE 1

Fiscal Year	General Government	Education	Health and Social Services	Law, Justice, and Public Protection	Natural Resources
1990	\$ 168,574	\$ 742,255	\$ 586,323	\$ 316,359	\$ 240,668
1991	137,608	771,450	594,996	335,568	233,096
1992	199,034	813,584	637,313	350,259	184,794
1993	197,504	868,915	707,275	359,012	166,150
1994	207,096	827,888	780,790	387,798	156,971
1995	214,945	843,547	896,398	447,738	155,698
1996	216,672	832,363	980,166	433,336	157,787
1997	209,207	821,375	1,012,349	431,166	152,231
1998	200,392	827,794	1,031,507	425,328	150,547
1999	197,154	866,346	1,069,948	449,256	151,480

NOTE: Expenditures include all governmental funds.

TABLE 1

Development	Transportation	Capital Outlay	Debt Service	Intergovernmental	Totals
\$ 63,715	\$ 179,550	\$ 291,241	\$ 129,123	\$ 159,951	\$ 2,877,759
47,935	174,207	298,462	104,867	168,034	2,866,223
39,529	165,958	401,779	76,954	190,248	3,059,452
30,155	158,753	447,752	68,157	178,308	3,181,981
33,189	155,728	603,028	33,819	178,889	3,365,196
48,674	154,609	470,847	22,917	134,314	3,389,687
52,229	153,373	477,696	21,305	114,994	3,439,921
39,566	163,569	430,677	16,496	108,634	3,385,270
35,641	152,607	416,681	14,220	91,700	3,346,417
38,336	155,715	479,070	8,839	95,448	3,511,592

STATE OF ALASKA
 AVAILABLE FUND BALANCE
 GENERAL FUND
 Fiscal Years 1959 - 1998
 June 30, 1999
 (Stated in Thousands)

TABLE 2

<u>Fiscal Year</u>	<u>Available Fund Balance</u>
1959	\$ 4,211
1960	10,804
1961	9,761
1962	24,372
1963	36,987
1964	20,244
1965	28,408
1966	29,292
1967	23,762
1968	22,585
1969	7,410
1970	789,994
1971	836,535
1972	761,270
1973	644,461
1974	516,940
1975	379,306
1976	504,851
1977	668,165
1978	651,093
1979	684,281
1980	1,549,357
1981	821,117
1982	(1,777,400)
1983	(520,095)
1984	(133,471)
1985	(213,941)
1986	(196,033)
1987	13,694
1988	224,012
1989	162,715
1990	300,133
1991	696,257
1992	0
1993	(56,711)
1994	(1,418,774)
1995	(1,561,428)
1996	(1,875,814)
1997	(1,792,463)
1998	(2,293,066)
1999	(3,359,397)

**STATE OF ALASKA
REVENUES BY SOURCE
GENERAL FUND
Last Ten Fiscal Years
June 30, 1999
(Stated in Thousands)**

TABLE 3

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Federal</u>	<u>Charges for Services</u>	<u>Rents and Royalties</u>	<u>Other</u>	<u>Totals</u>
1990	\$ 1,506,685	\$ 27,834	\$ 733,739	\$ 47,951	\$ 1,025,356	\$ 120,596	\$ 3,462,161
1991	1,764,155	29,089	588,066	86,755	1,421,822	104,312	3,994,199
1992	1,458,741	32,436	657,082	137,805	1,053,320	158,382	3,497,766
1993	1,376,052	49,843	776,877	72,332	1,094,793	145,435	3,515,332
1994	954,119	59,632	774,467	72,258	741,402	90,292	2,692,170
1995	1,205,072	60,546	814,251	76,672	966,129	150,824	3,273,494
1996	1,228,102	61,172	926,980	75,121	909,514	112,674	3,313,563
1997	1,438,838	69,020	942,567	78,116	1,077,892	120,766	3,727,199
1998	1,032,737	71,419	957,272	82,938	738,791	134,967	3,018,124
1999	761,586	63,914	1,029,328	91,401	512,115	97,284	2,555,628

**STATE OF ALASKA
TAX REVENUES BY SOURCE
GENERAL FUND
Last Ten Fiscal Years
June 30, 1999
(Stated in Thousands)**

TABLE 4

<u>Fiscal Year</u>	<u>Income Tax</u>	<u>Fuel Tax</u>	<u>Severance Tax</u>	<u>Cigarette Tax</u>	<u>Property Tax</u>	<u>Other Taxes</u>	<u>Totals</u>
1990	\$ 185,317	\$ 41,500	\$ 1,139,558	\$ 10,950	\$ 89,841	\$ 39,519	\$ 1,506,685
1991	256,030	39,917	1,325,898	13,993	85,007	43,310	1,764,155
1992	199,396	43,247	1,090,704	14,251	69,048	42,095	1,458,741
1993	192,563	40,743	1,019,082	14,043	66,918	42,703	1,376,052
1994	62,066	40,507	731,787	14,133	61,466	44,160	954,119
1995	195,482	39,601	852,833	14,396	57,250	45,510	1,205,072
1996	227,062	37,740	846,873	14,158	55,993	46,276	1,228,102
1997	317,846	35,318	972,124	13,652	53,567	46,331	1,438,838
1998	253,480	35,645	621,495	15,400	51,254	55,463	1,032,737
1999	198,856	37,725	412,757	15,233	48,840	48,175	761,586

STATE OF ALASKA
STATE AID AND SHARED REVENUE TO DISTRICT SCHOOLS
Last Ten Fiscal Years
June 30, 1999
(Stated in Thousands)

TABLE 5

Fiscal Year	Education Foundation Program	Cigarette Tax	Transportation Aid	Debt Retirement	Non-Resident Pupil Tuition
1990	\$ 494,018	\$ 2,700	\$ 24,737	\$ 110,675	\$ 2,222
1991	526,467	2,600	24,737	116,689	2,407
1992	561,096	2,500	28,572	127,672	2,529
1993	613,072	2,700	28,317	124,948	2,371
1994	617,354	2,721	29,360	98,649	1,743
1995	627,468	2,668	31,564	93,742	1,825
1996	639,464	2,655	32,842	80,322	1,732
1997	648,175	2,690	32,842	62,476	2,100
1998	653,155	2,608	35,195	61,640	2,068
1999	676,511	-	38,071	61,991	2,021

(a) Other Aids include:

1. Instructional services in handicapped schools	\$ 3,802
2. Instructional programs for youth in detention	800
3. Support of children attending school in Canada	<u>122</u>
	<u>\$ 4,724</u>

(b) Data for 1994 through 1999 includes State Correspondence School and Mt. Edgecumbe Boarding School.

(c) Not stated in thousands.

TABLE 5

<u>Other Aids (a)</u>	<u>Totals</u>	<u>Average Daily Membership (1st Qtr) (b)(c)</u>	<u>State Aid Cost Ratio Per Pupil (b) (c)</u>
\$ 3,423	\$ 637,775	105,662	\$ 6,036
3,691	676,591	110,365	6,130
3,929	726,298	113,348	6,408
4,014	775,422	116,653	6,647
3,989	753,816	121,429	6,208
4,143	761,410	122,511	6,215
4,539	761,554	124,753	6,104
4,651	752,934	126,464	5,954
4,750	759,416	129,425	5,868
4,724	783,318	132,905	5,894

STATE OF ALASKA
 ASSESSED AND FULL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years
 June 30, 1999
 (Stated in Thousands)

TABLE 6

Calendar Year	Values Within Cities & Boroughs			
	Real Property		Personal Property	
	Assessed Value	Full Value	Assessed Value	Full Value
1989	\$ 16,415,505	\$ 18,090,133	\$ 1,995,631	\$ 4,326,279
1990	16,503,285	18,091,094	2,263,406	4,671,988
1991	17,297,540	18,219,506	2,434,417	4,215,680
1992	18,725,444	19,667,968	2,560,998	4,370,161
1993	19,263,773	20,411,013	2,621,355	4,418,487
1994	20,147,234	21,476,740	2,679,371	4,694,996
1995	21,274,993	22,622,971	2,560,465	4,602,147
1996	22,285,757	23,653,953	2,599,057	4,756,612
1997	23,820,717	25,691,808	2,666,315	4,852,884
1998	25,215,942	26,459,540	2,575,780	4,918,058

NOTE: Information obtained from Alaska Taxable 1998, published by Department of Community and Regional Affairs, Municipal and Regional Assistance Division, Office of the State Assessor.

TABLE 6

Total		All Areas	Ratio of Total Assessed to Total Full Value	
Assessed Value	Full Value	Full Value	Cities & Boroughs	All Areas
\$ 18,411,136	\$ 22,416,412	\$ 39,563,980	82.1%	46.5%
18,766,691	22,763,082	39,668,486	82.4%	47.3%
19,731,957	22,435,186	40,933,544	88.0%	48.2%
21,286,442	24,038,129	42,278,195	88.6%	50.3%
21,885,128	24,829,500	42,357,481	88.1%	51.7%
22,826,605	26,171,736	43,829,908	87.2%	52.1%
23,835,458	27,225,118	44,394,000	87.5%	53.7%
24,884,814	28,410,565	45,265,505	87.6%	55.0%
26,487,032	30,544,692	47,013,312	86.7%	56.3%
27,791,722	31,377,598	47,541,072	88.6%	58.5%

STATE OF ALASKA
SCHEDULE OF NET GENERAL BONDED DEBT / PROPERTY VALUE RATIOS AND PER CAPITA
Last Ten Fiscal Years
June 30, 1999
(Stated in Thousands)

TABLE 7

Calendar Year	Population (a) (c)	Assessed Value Cities & Boroughs (b)	Full Value All Areas (b)	Gross General Bonded Debt
1989	538,900	\$ 18,411,136	\$ 39,563,980	\$ 386,091
1990	553,171	18,766,691	39,668,486	290,531
1991	569,063	19,731,957	40,933,544	213,032
1992	586,684	21,286,442	42,278,195	156,883
1993	596,808	21,885,128	42,357,481	105,520
1994	600,765	22,826,605	43,829,908	78,192
1995	601,646	23,835,458	44,394,000	39,101
1996	604,966	24,884,814	45,265,505	24,206
1997	609,311	26,487,032	47,013,312	10,891
1998	621,400	27,791,722	47,541,072	2376

- (a) Population figures are taken from the Alaska Population Overview - 1998 Estimates, published by the Department of Labor, Research and Analysis Section, Demographics Unit. Population figures have been revised from 1990 through 1997.
- (b) Information obtained from Alaska Taxable 1998, published by the Department of Community & Regional Affairs, Municipal and Regional Assistance Division, Office of the State Assessor.
- (c) Not stated in thousands.

TABLE 7

<u>Less Debt Service Funds</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net General Bonded Debt to Assessed Value: Cities & Boroughs</u>	<u>Ratio of Net General Bonded Debt to Full Value: All Areas</u>	<u>Net General Bonded Debt Per Capita (c)</u>
\$ 0	\$ 386,091	2.1%	1.0%	\$ 716
1,337	289,194	1.5%	0.7%	523
0	213,032	1.1%	0.5%	374
343	156,540	0.7%	0.4%	267
343	105,177	0.5%	0.2%	176
148	78,044	0.3%	0.2%	130
0	39,101	0.2%	0.1%	65
7,700	16,506	0.1%	0.0%	27
0	10,891	0.0%	0.0%	18
668	1,708	0.0%	0.0%	3

STATE OF ALASKA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES AND UNRESTRICTED REVENUES
Last Ten Fiscal Years
June 30, 1999
(Stated in Thousands)

TABLE 8

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund		Ratio of Debt Service to General Fund	
				Expenditures	Unrestricted Revenues	Expenditures	Unrestricted Revenues
1990	\$ 95,560	\$ 24,746	\$ 120,306	\$ 2,843,470	\$ 2,741,787	4.2%	4.4%
1991	77,499	17,984	95,483	2,804,676	3,393,059	3.4%	2.8%
1992	56,149	12,052	68,201	3,023,658	2,801,092	2.3%	2.4%
1993	51,363	8,325	59,688	3,145,310	2,742,032	1.9%	2.2%
1994	28,398	5,421	33,819	3,338,553	1,919,787	1.0%	1.8%
1995	20,221	2,696	22,917	3,312,357	2,458,698	0.7%	0.9%
1996	18,870	2,435	21,305	3,385,929	2,383,671	0.6%	0.9%
1997	14,895	1,601	16,496	3,350,248	2,788,733	0.5%	0.6%
1998	13,315	904	14,219	3,301,455	2,064,732	0.4%	0.7%
1999	8,515	324	8,839	3,434,008	1,522,285	0.3%	0.6%

NOTE: Expenditures include operating transfers for debt service.

STATE OF ALASKA
SCHEDULE OF REVENUE BOND COVERAGE
INTERNATIONAL AIRPORT FUND
Last Ten Fiscal Years
June 30, 1999
(Stated in Thousands)

TABLE 9

Fiscal Year	Revenue	Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Ratio of Net Revenue to Debt Service Requirements
				Principal	Interest	Total	
1990	\$ 55,266	\$ 33,855	\$ 21,411	\$ 2,890	\$ 5,729	\$ 8,619	2.5
1991	53,300	35,242	18,058	3,140	5,478	8,618	2.1
1992	47,944	35,933	12,011	7,535	5,219	12,754	0.9
1993	46,664	36,177	10,487	2,920	4,671	7,591	1.4
1994	44,914	35,937	8,977	6,860	2,377	9,237	1.0
1995	48,959	36,291	12,668	3,390	2,276	5,666	2.2
1996	50,825	37,310	13,515	3,505	2,168	5,673	2.4
1997	55,799	40,510	15,289	3,640	2,041	5,681	2.7
1998	54,221	39,278	14,943	3,785	1,896	5,681	2.6
1999	52,184	40,901	11,283	3,970	1,735	5,705	2.0

NOTE: The revenue and expense figures are from the statement contained within the State of Alaska Annual Financial Report titled Other Agencies Enterprise Funds, Statement of Revenues, Expenses and Changes in Retained Earnings. The revenue figures are from the operating revenue accounts titled Charges for Services, Interest Income, and Other. The figures for expenses include Personal Services, Travel and Per Diem, Contractual Services, and Materials and Supplies.

GENERAL:

<u>Date of Incorporation:</u>	January 3, 1959	<u>Area - Square Miles:</u>	586,412
<u>Date of Constitution Adopted:</u>	April 24, 1956 (Referendum Date)	<u>Coast-line Miles:</u>	33,904

Form of Government: State

<u>Employees Paid as of June 30, 1999:</u>						
	Regular Full-Time	Regular Part-Time	Seasonal Full-Time	Seasonal Part-time	1999 Total	1998 Total
Public Safety/Security Officers	409				409	390
Marine (Ferry)	768				768	724
General Government, Confidential, LTC	8,564	262	1,147	15	9,988	9,992
Supervisors	1,329		8		1,337	1,204
Firefighters	15		609		624	437
Teachers	81	13			94	67
National Guard	30				30	37
Exempt, Partially Exempt, and Excluded	1,284	173	5	1	1,463	1,551
Judicial Workers	600	45			645	640
Legislative Employees	321	6		43	370	343
Total Employees	13,401	499	1,769	59	15,728	15,385

Number of Votes Cast Compared to Number of Registered Voters:

	Voted	Registered	Percentage Voting
Last General Election - November 3, 1998	227,156	453,332	50.1
Last Primary Election - August 25, 1998	109,906	446,200	24.6
Last Special Election - November 8, 1983	32,786	257,041	12.8

FIRE PROTECTION:

	1999	1998
Number of Fire Departments Registered with Fire Marshall	128	138
Number of Full-Time Firefighters	1,097	1,007
Number of Volunteer Firefighters	3,963	3,429

EDUCATION:

	Number of Schools	Number of Certified Teachers	Initial Enrollment Students
Regional Education Attendance Areas (REAA):	160	1,103	15,133
Elementary			11,467
Secondary			3,666
Cities/Boroughs:	343	6,741	118,374
Elementary			84,953
Secondary			33,421
Private and Denominational Schools:	39	100	4,177

NOTES: Central Correspondence Study and Mt. Edgecumbe High School data are not included.
Elementary includes Pre-elementary through grade 8. Secondary includes grades 9 through 12.
Home schools are not included as they are no longer required to register with the Alaska Department of Education.
In past years, the home school numbers were included with the Private and Denominational Schools.

Information obtained from the Alaska Department of Education, Education Support Services, School Finance Section.

EDUCATION:

Enrollment of Alaska Students - Last Ten Fiscal Years						
Fiscal Year	City and Borough	REAA'S	Private and Denominational Schools	Central Correspondence Study	Mount Edgecumbe	Enrollment All Schools
1990	95,472	13,150	5,588	470	189	114,869
1991	99,724	13,091	5,041	877	211	118,944
1992	104,286	13,425	4,509	781	213	123,214
1993	107,567	13,611	4,802	1,046	264	127,290
1994	110,180	14,061	4,581	1,425	282	130,529
1995	111,490	13,954	4,417	1,357	266	131,484
1996	111,700	14,429	3,981	1,351	282	131,743
1997	113,762	14,381	3,835	1,489	287	133,754
1998	115,484	13,942	3,383	1,569	308	134,685
1999	118,374	14,468	4,177	2,628	308	139,955

Alaska Colleges, Universities, and Community Colleges - Closing Enrollment - Last Ten Academic Years					
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Fall Semester	University of Alaska Main Campuses (a)	University of Alaska Community College (a)	Alaska Pacific University	Sheldon Jackson College	Alaska Bible College
1989	29,963	494	1,832	280	69
1990	31,967	461	1,717	268	111
1991	32,840	352	1,827	308	93
1992	32,624	1,193	2,051	299	61
1993	31,883	1,220	1,665	280	53
1994	31,496	1,388	1,560	271	43
1995	31,032	1,477	1,464	223	54
1996	30,303	1,614	1,261	202	48
1997	29,521	1,663	863	185	43
1998	29,180	1,926	940	259	46

Spring Semester	University of Alaska Main Campuses (a)	University of Alaska Community College (a)	Alaska Pacific University	Sheldon Jackson College	Alaska Bible College
1990	31,724	472	2,101	251	87
1991	31,672	401	2,001	272	87
1992	32,335	577	1,837	299	73
1993	33,674	1,309	2,250	290	69
1994	32,088	1,744	2,000	277	52
1995	31,522	1,801	2,028	254	53
1996	31,427	1,570	1,762	257	43
1997	31,162	1,915	1,176	196	44
1998	30,115	2,017	1,034	169	39
1999	28,842	1,794	1,207	237	44

- (a) Starting with the fall semester of 1987, figures reflect the restructuring which has taken place at the University of Alaska. Formerly, there were eleven community colleges, three four-year institutions, rural education and cooperative extension programs. Now, there are three multi-campus institutions and one community college. Previous figures counted students taking courses for audit which are no longer included in the count. Beginning with Fall 1993, data from Arctic Sivuunmun Ilisagvik (North Slope) is not reported.

NOTE: Enrollment figures are head count enrollments.

TRANSPORTATION:

Miles of Public Highways:	1999	1998
Land Miles:		
State (DOT/PF) Maintained:		
Interstate	1,082	1,087
Other Principal Arterials	867	867
Minor Arterials	619	622
Collectors	2,426	2,463
Local	613	608
State (DOT/PF) Maintained Subtotal	5,607	5,647
Other State (DNR) Maintained:	434	398
Borough/Municipal/Community:		
Arterials	25	25
Collectors	227	228
Local	5,174	5,246
Borough/Municipal/Community Subtotal	5,426	5,499
Federal Agency Maintained:		
U.S. Forest Service	1,059	1,059
Bureau of Land Management (BLM)		19
National Parks	127	128
BIA Reservation (Metlakatla)	24	24
Federal Agency Maintained Subtotal	1,210	1,230
Total Land Miles	12,677	12,774
Ferry Miles:		
State (DOT/PF) Maintained:		
Arterials	1,326	1,294
Collectors	979	1,571
Local	470	
Total Ferry Miles	2,775	2,865
Total Miles of Public Highways	15,452	15,639

NOTE: DOT/PF refers to Department of Transportation and Public Facilities and DNR refers to Department of Natural Resources.

Total Air Carrier Activity
State of Alaska International Airports
Last Ten Fiscal Years

Fiscal Year	Landings		Passengers			Freight (tons)	
	Jets	Total	In	Out	Through	In	Out
1990	50,872	91,743	1,840,777	1,867,342	1,584,497	78,747	125,994
1991	49,512	101,142	2,029,180	2,012,655	1,117,883	89,747	146,200
1992	52,906	110,396	2,163,161	2,173,803	827,814	78,618	130,731
1993	51,502	104,040	2,141,253	2,141,798	605,409	84,877	131,868
1994	53,106	106,132	2,248,391	2,259,209	572,303	90,478	141,625
1995	52,897	113,315	2,413,614	2,407,308	627,781	95,293	149,505
1996	54,736	110,763	2,412,824	2,428,340	699,884	95,440	148,380
1997	59,164	117,379	2,548,920	2,547,063	802,424	90,903	149,686
1998	66,301	122,576	2,532,369	2,531,986	779,953	103,288	159,669
1999	66,838	114,764	2,517,344	2,535,351	734,713	250,609	313,550

RECREATION:

Number of Acres:	1999	1998
Federal Parks and Monuments	54,700,000	54,700,000
Federal Wildlife Refuges and Conservation Areas*	80,722,556	80,722,556
Federal Forests**	23,051,600	23,051,600
State Parks System	3,303,290	3,303,290
State Forests	2,243,100	2,243,100
State Public Reserves and Rivers	2,598,430	2,598,430
Other State Conservation Preserves, Game Refuges, Sanctuaries, and Critical Habitat Areas	3,193,560	3,193,560
Other Government, Local Government/Municipal	28,759	28,759
Total Number of Acres	169,841,295	169,841,295

*BLM manages 2,766,949 acres which are included in the 80,722,556.

** Will be less after full Chugach Natives Settlement and transfer of Afognak Island.

POPULATION:

Year	Population	Increase (Decrease)		Civilian	Military
		Number	Percent		
1950	128,643	-	-	108,301	20,342
1960	226,167	97,524	75.8	193,678	32,489
1970	300,382	74,215	32.8	269,648	30,734
1980	401,851	101,469	33.8	383,870	17,981
1990	553,124	151,273	37.6	529,992	23,132
1991	569,063	15,939	2.9	543,924	25,139
1992	586,684	17,621	3.1	562,224	24,460
1993	596,808	10,124	1.7	572,453	24,355
1994	600,765	3,957	0.7	580,646	20,119
1995	601,646	881	0.1	582,610	19,036
1996	604,966	3,320	0.6	585,992	18,974
1997	609,311	4,345	0.7	591,257	18,054
1998	621,400	12,089	2.0	603,380	18,020

Age Distribution of Population:

Year	Age Groups									Median Age
	0-4	5-13	14-17	18-24	25-34	35-44	45-54	55-64	65+	
1950	15,579	17,056	5,835	23,597	26,447	18,517	10,656	6,214	4,742	25.8
1960	34,193	43,216	11,487	32,129	39,672	31,981	18,957	9,146	5,386	23.3
1970	32,075	64,743	23,041	45,517	49,299	38,021	26,939	13,860	6,887	22.9
1980	38,949	62,363	29,433	59,773	90,808	54,022	34,243	20,713	11,547	26.1
1990	55,859	87,602	30,356	56,189	113,233	104,039	53,985	29,422	22,439	29.3
1991	56,978	91,357	31,334	54,885	112,526	110,152	57,644	30,354	23,833	29.8
1992	58,068	94,838	32,797	54,280	112,608	114,631	62,836	31,431	25,195	30.2
1993	58,210	97,015	34,442	52,761	110,123	117,269	67,803	32,366	26,819	30.6
1994	56,977	98,639	36,238	50,051	106,407	119,018	72,155	33,249	28,031	31.0
1995	54,573	99,557	37,694	47,984	101,958	119,636	76,435	34,501	29,308	31.5
1996	52,800	100,466	38,897	48,089	96,828	120,130	81,140	36,101	30,515	31.9
1997	51,814	101,311	40,593	48,991	92,016	119,824	85,160	38,196	31,406	32.2
1998	52,036	102,744	42,029	51,913	88,940	120,347	89,752	40,945	32,694	32.4

NOTE: Data for 1950 through 1998 were obtained from Alaska Population Overview - 1998 Estimates, published by Department of Labor, Research and Analysis Section, Demographics Unit. There is no data available for the population by age distribution for 1950 through 1990 to match the revised population.

PERSONAL INCOME: Bureau of Economic Analysis - U.S. Department of Commerce

Year	Total Alaska Personal Income (Millions)	Alaska Per Capita	U.S. Per Capita	% Alaska to U.S.
1989	10,741	19,631	17,690	111.0
1990	11,549	20,881	18,666	111.9
1991	12,271	21,552	19,636	109.8
1992	12,925	22,012	20,582	106.9
1993	13,556	22,715	21,220	107.0
1994	14,065	23,417	22,056	106.2
1995	14,421	23,971	23,059	104.0
1996	14,713	24,310	24,164	100.6
1997	15,222	24,969	25,288	98.7
1998	15,765	25,675	26,412	97.2

NOTE: Revised data from 1994 through 1997 were obtained from U.S. Department of Commerce press release 99-10, April 27, 1999.

POPULATION OF CORRECTIONAL FACILITIES:

<u>Adult:</u>	<u>1999</u>	<u>1998</u>
Mat-su Pretrial Facility	78	63
Yukon-Kuskokwim Correctional Center	81	73
Cook Inlet Pretrial Facility	433	450
Meadow Creek Correctional Center	78	66
Anchorage Correctional Center Annex (Sixth Avenue)	98	90
Hiland Mountain Correctional Center	198	231
Fairbanks Correctional Center	201	207
Lemon Creek Correctional Center	159	163
Ketchikan Correctional Center	39	52
Nome Correctional Center	96	95
Palmer Correctional Center - Minimum	176	176
Palmer Correctional Center - Medium	172	172
Wildwood Correctional Center	230	223
Wildwood Pretrial Facility	99	92
Spring Creek Correctional Center	483	553
Point MacKenzie	104	85
Alaska Prisoners in Federal Bureau of Prison Facilities Arizona and State of Minnesota Prison Facilities	742	660
State Prisoner Holding Facilities:		
Institutional Tents - Statewide	52	92
Community Residential Centers	676	659
Community Treatment Centers	33	39
Local Community Jails	73	74
 Total Adult Population of Correctional Facilities	 <u>4,301</u>	 <u>4,315</u>

<u>Juvenile:</u>	<u>1999</u>	<u>1998</u>
McLaughlin Youth Center	192	199
Fairbanks Youth Center	46	50
Nome Youth Center	1	1
Johnson Youth Center	29	20
Bethel Youth Facility	25	23
 Total Juvenile Population of Correctional Facilities	 <u>293</u>	 <u>293</u>



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STATE OF ALASKA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal year Ended June 30, 1999

Index of Funds

<u>Fund Description</u>	<u>Authority</u>	<u>Separately Reported?</u>	<u>Fund or Group</u>	<u>Statement Number</u>
Agricultural Revolving Loan	AS 03.10.040	Yes	OAEF	6.10-6.12
AHFC Special Pledge	Ch 107, SLA 1971	NR		
AIDEA - Small Business Economic Development Revolving Loan	Ch 42, SLA 1987	Yes	DPCU	1.09, 1.11, 1.12
Alaska Aerospace Development Corp.	AS 14.40.841	Yes	DPCU	1.09, 1.11, 1.12
Alaska Children's Trust	AS 37.14.200	Yes	NTF	8.04-8.06
Alaska Clean Water	AS 46.03.032	Yes	OAEF	6.10-6.12
Alaska Debt Retirement	AS 37.15.011	No	GF	2.01, 2.02
Alaska Drinking Water	AS 46.03.036	Yes	OAEF	6.10-6.12
Alaska Energy Authority	AS 44.83.020	Yes	DPCU	1.09, 1.11, 1.12
Alaska Historical Commission Receipts Account	AS 41.35.380	No	GF	2.01, 2.02
Alaska Housing Finance Corporation	AS 18.56.020	Yes	DPCU	1.09, 1.11, 1.12
Alaska Industrial Development & Export Authority	AS 44.88.020	Yes	DPCU	1.09, 1.11, 1.12
Alaska Marine Highway System	AS 19.65.060	No	GF	2.01, 2.02
Alaska Marine Highway System Vessel Replacement	AS 37.05.550	No	GF	2.01, 2.02
Alaska Mental Health Trust Authority	AS 47.30.011	Yes	DPCU	1.09, 1.11, 1.12
Alaska Municipal Bond Bank Authority	AS 44.85.020	Yes	DPCU	1.09, 1.10
Alaska National Guard and Alaska Naval Militia Retirement System	AS 26.05.222	Yes	PTF	1.06, 8.07
Alaska Permanent Fund	Constitution, Art. IX, sec. 15	Yes	NTF	8.04-8.06
Alaska Railroad Corporation	AS 42.40.010	Yes	DPCU	1.09, 1.11, 1.12
Alaska Science & Technology Foundation	AS 37.17.010	Yes	DPCU	1.09, 1.11, 1.12
Alaska Student Loan Corporation	AS 14.42.100	Yes	DPCU	1.09, 1.11, 1.12
Alaska Surplus Property	AS 37.05.500(a)(2) and 44.68.130	No	GF	2.01, 2.02
Alaska World War II Veterans' Revolving Loan	AS 26.15.090	Yes	CAEF	6.04-6.06
Alcoholism & Drug Abuse Revolving Loan	AS 44.29.210	Yes	OAEF	6.10-6.12
Alternative Energy Revolving Loan	AS 45.88.010	Yes	EAEF	6.07-6.09
Alyeska Settlement Trust	Consent decree between U.S., Alaska, and Alyeska	Yes	ETF	8.02, 8.03
Art in Public Places	AS 44.27.060	No	GF	2.01, 2.02
Assistive Technology Loan Guarantee	AS 23.15.125	No	GF	2.01, 2.02
ASTF - BIDCO Fund	AS 37.17.210	No	DPCU	1.09, 1.11, 1.12
ASTF - Endowment	AS 37.17.020	No	DPCU	1.09, 1.11, 1.12
ASTF - International Trade & Business Endowment	AS 37.17.440	No	DPCU	1.09, 1.11, 1.12
Budget Reserve - Constitutional	Constitution, Art. IX, sec. 17	Yes	ETF	8.02, 8.03
Budget Reserve - Statutory	AS 37.05.540	NR		
Bulk Fuel Revolving Loan	AS 42.45.250	Yes	EAEF	6.07-6.09

STATE OF ALASKA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal year Ended June 30, 1999

Index of Funds

<u>Fund Description</u>	<u>Authority</u>	<u>Separately Reported?</u>	<u>Fund or Group</u>	<u>Statement Number</u>
Child Care Facility Loan	AS 44.33.240	Yes	CAEF	6.04-6.06
Child Support Enforcement Division Trust	CSED collections from employee payroll deductions	No	DSMAF	8.08, 8.09
Clean Air Protection	AS 46.14.260 and Federal Clean Air Act	Yes	SRF	3.01-3.03
Commercial Fishing Revolving Loan	AS 16.10.340	Yes	CAEF	6.04-6.06
Correctional Industries	AS 33.32.020	Yes	ISF	7.01-7.03
Debt Service	Various SLAs	Yes	DSF	4.01, 4.02
Deferred Compensation	AS 39.45.010	Yes	ETF	8.02, 8.03
Deposits, Suspense, and Miscellaneous Agency funds		Yes	ATF	8.08, 8.09
Disaster Relief	AS 26.23.300	Yes	SRF	3.01-3.03
Donated Commodity Fee	USC 7 CFR, Part 250	No	GF	2.01, 2.02
Educational Facilities Maintenance and Construction	AS 37.05.560	No	GF	2.01, 2.02
Electrical Service Extension	AS 42.45.200	No	GF	2.01, 2.02
Employment Assistance & Training Program Account	AS 23.15.625	No	GF	2.01, 2.02
Exxon Valdez Oil Spill Restoration	U.S. District Court Judgment	Yes	ETF	8.02, 8.03
Exxon Valdez Oil Spill Unincorporated Rural Community Grant Fund	AS 44.47.051	No	GF	2.01, 2.02
Exxon Valdez Settlement Trust	AS 37.14.400	Yes	ETF	8.02, 8.03
FHWA - Airspace Leases	Section 156 of the USSTURAA of 1987	No	GF	2.01, 2.02
FICA Administration	AS 39.30.050	No	GF	2.01, 2.02
Fish and Game	AS 16.05.100	Yes	SRF	3.01-3.03
Fisheries Enhancement Revolving Loan	AS 16.10.505	Yes	CAEF	6.04-6.06
Fishermen's	AS 23.35.060	No	GF	2.01, 2.02
Four Dam Pool Transfer	AS 42.45.050	No	GF	2.01, 2.02
Fuel Emergency	AS 26.23.400	No	GF	2.01, 2.02
Fund for the Improvement of School Performance	AS 14.03.125	No	GF	2.01, 2.02
General Fixed Assets Account Group		Yes	GFAAG	9.01
General Fund	Operating fund of the State	Yes	GF	2.01, 2.02
General Long-term Debt Account Group		Yes	GLTDAG	10.01-10.03
Group Health and Life Benefits	AS 39.30.095	Yes	ISF	7.01-7.03
Highways Equipment Working Capital	AS 44.68.210	Yes	ISF	7.01-7.03
Historical Districts Revolving Loan	AS 45.98.010	Yes	CAEF	6.04-6.06
Impact Aid PL 81-874	Federal funds passed through to school districts	Yes	ATF	8.08, 8.09
Information Services	AS 44.21.045	Yes	ISF	7.01-7.03
International Airports	AS 37.15.410-550	Yes	OAEF	6.10-6.12
Investment Loss Trust	AS 37.14.300	No	SBS	1.06, 8.07
Judicial Retirement System	AS 22.25.048	Yes	PTF	1.06, 8.07
Major Maintenance Grant	AS 14.11.007	No	GF	2.01, 2.02
Memorial Scholarship Revolving Loan	AS 14.43.255	Yes	ETF	8.02, 8.03
Mining Revolving Loan	AS 27.09.010	Yes	CAEF	6.04-6.06

STATE OF ALASKA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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<u>Fund Description</u>	<u>Authority</u>	<u>Separately Reported?</u>	<u>Fund or Group</u>	<u>Statement Number</u>
Municipal Capital Project Matching Grant	AS 37.06.010	No	GF	2.01, 2.02
National Petroleum Reserve	AS 37.05.530	Yes	SRF	3.01-3.03
NBA/FDIC owned loans		No	DSMAF	8.08, 8.09
Oil and Hazardous Substance Release Prevention Mitigation Account	AS 46.08.020(b)	No	GF	2.01, 2.02
Oil and Hazardous Substance Release Response Mitigation Account	AS 46.08.025(b)	No	GF	2.01, 2.02
Oil and Hazardous Substance Release Prevention and Response Fund	AS 46.08.010	No	GF	2.01, 2.02
Permanent Fund Dividend	AS 43.23.045	Yes	ETF	8.02, 8.03
Power Cost Equalization and Rural Electric Capitalization	AS 42.45.100	No	GF	2.01, 2.02
Power Project Fund	AS 42.45.010	Yes	EAEF	6.07-6.09
Public Advocacy Trust	AS 44.21.410	Yes	ETF	8.02, 8.03
Public Employees' Retirement System	AS 39.35.020	Yes	PTF	1.06, 8.07
Public School Trust	AS 37.14.110	Yes	NTF	8.04, 8.06
Railbelt Energy	AS 37.05.520	No	GF	2.01, 2.02
Randolph - Sheppard Small Business	AS 23.15.130 and 20 USC 107-107(f)	No	GF	2.01, 2.02
Real Estate Surety	AS 08.88.450	No	GF	2.01, 2.02
Reclamation Bonding Pool	AS 27.19.040	Yes	SRF	3.01-3.03
Residential Energy Conservation	AS 45.89.010	Yes	EAEF	6.07-6.09
Rural Development Initiative	AS 44.47.810	Yes	OAEF	6.10-6.12
Rural Electrification Revolving Loan	AS 42.45.020	Yes	EAEF	6.07-6.09
School	AS 43.50.140	Yes	SRF	3.01-3.03
School Construction Grant	AS 14.11.005	No	GF	2.01, 2.02
Second Injury	AS 23.30.040	No	GF	2.01, 2.02
Small Business Revolving Loan	AS 45.95.060	Yes	CAEF	6.04-6.06
Southeast Energy	AS 42.45.040	No	GF	2.01, 2.02
State Insurance Catastrophe Reserve	AS 37.05.289	No	GF	2.01, 2.02
State Land Reforestation	AS 41.17.300	Yes	SRF	3.01-3.03
Storage Tank Assistance	AS 46.03.410	No	GF	2.01, 2.02
Supplemental Benefits System	AS 39.30.150	Yes	PTF	1.06, 8.07
Teachers' Retirement System	AS 14.25.010	Yes	PTF	1.06, 8.07
Training and Building	AS 23.20.130(d)	Yes	SRF	3.01-3.03
Transportation Construction	Ch 118, SLA 1980	Yes	CPF	5.03, 5.04
Transportation Facilities Construction	Ch 138, SLA 1978	Yes	CPF	5.03, 5.04
U of A - Advance Tuition	AS 14.40.803	No	U of A	1.07, 1.08, 1.13
U of A - Land Endowment	AS 14.40.400	No	U of A	1.07, 1.08, 1.13
Unemployment Compensation	AS 23.20.130	Yes	ETF	8.02, 8.03
Unincorporated Community Capital Project Matching Grant	AS 37.06.020	No	GF	2.01, 2.02
University of Alaska	AS 14.40.040	Yes	DPCU	1.07, 1.08, 1.13
Vocational Rehabilitation Small Business Enterprise Revolving	AS 23.15.130	No	GF	2.01, 2.02
Wage & Hour Trust		Yes	ATF	8.08, 8.09
Water Supply & Sewerage Systems	Ch 145, SLA 1978	Yes	CPF	5.05, 5.06

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LEGEND OF ACRONYMS

<u>Acronym</u>	<u>Description</u>
AS	Alaska Statute
AHFC	Alaska Housing Finance Corporation
AIDEA	Alaska Industrial Development and Export Authority
ASTF	Alaska Science & Technology Foundation
ATF	Agency Trust Fund
CAEF	Commercial Assistance Enterprise Fund
CFR	Code of Federal Regulations
Ch	Chapter
CPF	Capital Projects Fund
CSED	Child Support Enforcement Division
DPCU	Discretely Presented Component Unit
DSF	Debt Service Fund
DSMAF	Deposits, Suspense, & Miscellaneous Agency Funds
EAEF	Energy Assistance Enterprise Fund
ETF	Expendable Trust Fund
GF	General Fund
GFAAG	General Fixed Assets Account Group
GLTDAG	General Long-term Debt Account Group
ISF	Internal Service Fund
NR	Not Reported in CAFR
NTF	Nonexpendable Trust Fund
OAEF	Other Agencies Enterprise Fund
PSF	Public School Fund
PTF	Pension Trust Fund
SBS	Supplemental Benefits System
SLA	Session Laws of Alaska
SRF	Special Revenue Fund
USC	United States Code
USSTURAA	United States Surface Transportation and Uniform Relocation Assistance Act
U of A	University of Alaska